DOCUMENT RESUME

ED 296 860 RC 016 685

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TITLE North Country Successes: Case Studies of Successful Entrepreneurs in the ANCA Region.
SPONS AGENCY Adirondack North Country Association, Lake Placid, NY.
PUB DATE [87]
NOTE 102p.
PUB TYPE Information Analyses (070) -- Reports - Research/Technical (143)

EDRS PRICE MF01/PC05 Plus Postage.
DESCRIPTORS *Area Studies; Business Administration; Case Studies; *Economic Opportunities; Economic Progress; *Entrepreneurship; Ownership; *Quality of Life; Rural Areas; *Small Businesses; Socioeconomic Influences; *Success; Surveys
IDENTIFIERS *New York (North Country)

ABSTRACT

This study identifies the characteristics of both successful small businesses and their entrepreneurial owners in a 14-county area of the Adirondack North Country Association (ANCA). Of the 100 survey respondents representing successful small businesses, 50% had been in business for less than 14 years; 38% were in manufacturing; 48% employed more than 16 full-time employees; and 63% had increased sales by more than 10% in the past 5 years. Twenty-three of the companies showed assets greater than $2 million. Significantly, 60% of the entrepreneurs were from outside the region and had been attracted by its quality of life. The entrepreneurs tended to be under 45 years of age, college educated, previously employed, and married. These entrepreneurs attributed their success to a determination to succeed, persistence, a willingness to work long hours, the uniqueness of their product, and innovative marketing strategies. They cited bureaucratic hurdles at the state and local level, and inadequate access to capital as barriers to success. A regional focus promotes economic development; the preservation of the quality of life in the area; the creation of venture and investment capital; legal and technical support services for entrepreneurs; and a more positive attitude toward economic development in the North Country area. (CS)

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North Country Successes

Case Studies of Successful Entrepreneurs in the ANCA Region

Ram L. Chugh
and
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Adirondack North Country Association

NORTH COUNTRY SUCCESSES

Case Studies of Successful Entrepreneurs in the ANCA Region

by

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The report submitted to Adirondack North Country Association
in fulfillment of the grant awarded for the project.

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With appreciation to

Roger W. Tubby

founder of the
Adirondack North Country Association
and to the other entrepreneurs
of the North Country

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FOREWORD

The Adirondack North Country Association is pleased to present North Country Successes – Case Studies of Successful Entrepreneurs In The ANCA Region as part of its overall strategy of addressing economic development and needs in the North Country.

The study focuses on businesses in the North Country which have been successful in meeting business goals and analyzes the various factors which contribute to their success in the region. Overall the report demonstrates that the spirit of individualism and entrepreneurship is alive and well in the North Country.

Under the direction of Project Director Dr. Ram Chugh, Professor of Economics at the State University College of Arts and Science, Potsdam, and Co-director Dr. Prem P. Gandhi, Professor of Economics at the State University College of Arts and Science, Plattsburgh, business owners from throughout the region were surveyed. Various Economic Development Professionals, Chambers, NYS Department of Commerce Offices and commercial banks provided information about small businesses. Of the 400 businesses selected as meeting the criteria for success, over 100 responded. ANCA is grateful to all those individuals who took the time to respond to the questionnaire.

ANCA is impressed with the results of the report and its analysis and recommendations for small business development in the North Country. ANCA remains committed to economic development and to job creation and retention within the North Country region.

Frank A. Augsbury, Jr.
President and Chief Executive Officer

Thomas G. Tobin
Executive Director

ACKNOWLEDGEMENTS

We wish to acknowledge the support and encouragement given to us by Mr. Thomas Tobin, Executive Director of the Adirondack North Country Association and Ms. Terry deFranco, Association's Project Manager, throughout the work on this project. We also wish to thank various agencies which provided us with the names of the successful businesses in the ANCA region and to those businesses which responded to the survey questionnaire. Without their cooperation, it would have been difficult to carry out this study.

We gratefully acknowledge the assistance of Nancy Mohlsick, a student at Plattsburgh College and of Jeff May, a student at Potsdam College. Nancy was helpful in mailing the survey questionnaire and in tabulating the initial responses. Jeff was extremely helpful to us in many ways. He was instrumental in putting the survey responses on the computer and in summarizing the results for the report. He also assisted in proof reading an initial draft of the report. We are especially grateful to Dr. Robert Holland, Professor Emeritus at Potsdam College, for his thoughtful comments on an initial draft of the study.

We are thankful to Mr. James Benvenuto of the Publications Department at Potsdam College for designing the cover of the study. We express our deep sense of gratitude to the staff of the Clerical Center at Potsdam College for their extreme cooperation in typing this report in a timely fashion, to Douglas Brown of the Academic Computing Center at Potsdam College for preparing the report for printing, and to Ron Riley of the Duplicating Office for printing it. Finally, we wish to thank ANCA for providing the financial support for this project.

Ram L. Chugh, Project Director

Prem P. Gandhi, Co-director

PROFILE OF THE ANCA REGION

Adirondack North Country Association

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FRANK A. AUGSBURY, JR.
President and Chief Executive Officer
THOMAS G. TOBIN
Executive Director

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OUR PEOPLE AND GEOGRAPHY

This is the 33rd year of our service to the 14 County Adirondack North Country Association region, and to the State of New York. Our volunteer leadership of many hundreds come from all walks of life: business, agriculture, forestry, education, health, energy, transportation, travel and tourism, recreation, cultural affairs, politics, government, and manufacturing. We represent a growing population in excess of 1,100,000 people from scores of communities, cities, towns, villages and hamlets stretching from the Mohawk Valley to Lake Ontario, the St. Lawrence and Champlain Valleys, New England and Canadian boundaries - over one-third of New York State's geography but only one-fifteenth of its population.

RESOURCES

Within our bounds we have splendid natural resources: forests, rivers, lakes, minerals, fisheries, hunting grounds and ecologically unique properties in public and private ownership. Our citizens are recognized for their high work ethic and patriotism.

- In addition, we have some 9,500 farms with annual production of over 6 billion dollars.
- Our 1,368 manufacturing businesses employ 81,600 people, generating payroll in excess of $1.5 billion and producing products in excess of $6 million annually.
- Our Adirondack State Park is the largest park in the 48 contiguous states, and is within our bounds. Over 1,300,000 campers utilize its year-round resources and facilities, while an additional 1,434,000 use campsites outside this Park annually, but within ANCA bounds - bringing hundreds of millions of dollars of revenue to private and state facilities.
- Our twelve 4-year colleges, and ten 2-year colleges, work closely with local communities and industries in developing talented, educated personnel seeking meaningful jobs; cultural enhancement and high tech industrial support are direct bonuses to our 35,000 students, and to our communities.

THE FUTURE

The rising population trend in our 14-county area, contrary to that of the rest of New York State, is testimony to our Adirondack North Country opportunity; one half-day's drive to a market of more than 50,000,000 people. Clean air, fresh water, vast recreational opportunities, scenic wonders, and personal safety beckon citizens of all ages to settle here.

SUMMARY

Contrary to a popular impression of Northern New York as a depressed region lacking the necessary environment to attract businesses, this study shows that the 14-county Adirondack North Country Association (ANCA) region has been quite successful in attracting many small businesses. The region's unique location, its accessibility to the regional and national market as well as to Canada, availability of labor and above all the quality of life, all have been powerful factors in attracting people, investment and business. Based on the survey of 100 businesses in the 14-county ANCA region, the study discredits the negativism prevalent in the area and accentuates the hidden strengths and potential for Northern New York.

Questionnaires were mailed to 400 companies in the region, names of which were gathered from the Chambers of Commerce, county economic development agencies, commercial banks, and the regional offices of New York State Department of Commerce. Companies contacted had a track record of "success" as evident from the time in business for at least 5 years, had sales beyond the local and the regional market, and employed people outside the immediate family.

Of the 100 respondents, 50 percent have been in business for less than 14 years. While their operations cover a full range of products and services, 38 percent of the successful businesses are in manufacturing activity. Twenty percent of the respondents started with one employee. Today 48 percent have grown to employ more than 16 employees on a full time basis. Their success as measured by the growth of sales and assets reveal 63 percent have seen their sales grow by more than 10 percent in each of the past 5 years, with 47 percent claiming their assets to grow by more than 10 percent annually during the same period. Twenty-three companies currently have assets of greater than 2 million dollars.

One of the objectives of the study was to show the area's attraction to business. We wanted to identify these entrepreneurs. From where did they come? What attracted them to the area? Why did they start their business? What factors were responsible for their success? Answers to such questions were necessary in constructing a profile of successful entrepreneurs in the ANCA region to be used to develop a marketing strategy in promoting the region.

The survey revealed that by far the most important characteristic of the successful entrepreneurs in the ANCA region is that they (60 percent) are from outside the region. They were attracted by their excellent past experiences in the region. Many of the business people interviewed for our case studies spoke fondly of the region and emphasized the excellent quality of life in the area especially to raise a family, year-round sports, scenic beauty, and so on. Area successful entrepreneurs are relatively young, under 45 years of age (48 percent), college educated (54 percent), previously employed (86 percent), experience in the business they currently own (58 percent), married (86 percent) to spouses who are also college educated (42 percent). A common personality trait of the successful entrepreneurs is they are outgoing (70 percent) and active in the community.

The desire to be independent, to be one's own boss, and to own something, are the major reasons given by entrepreneurs in starting their own businesses. Their secret of success lies in their determination to succeed, in their persistence, and in their willingness to put in long hours. Among the other reasons for success in business are uniqueness of product (35 percent) and innovative marketing strategy (48 percent).

Like businessmen elsewhere, entrepreneurs in the ANCA region have faced many problems in achieving success. Two of these most often cited are the bureaucratic hurdles, excessive paperwork and time delays at the state and local levels, and the difficulty in raising initial capital and/or the necessary funds for expansion. Besides suggesting ANCA's help in alleviating these problems, the report makes positive recommendations in preserving and enhancing the quality of life that has already contributed much to this area and can be used even more advantageously to attract new investment. The report strongly favors the creation of a partnership between the educational institutions and the regional agencies to promote economic development in the ANCA region. Finally, the report urges the ANCA region to make attitudinal changes to make the area more hospitable to new business. By developing a sound marketing strategy, ANCA and other agencies can provide incentive to prospective entrepreneurs to locate in the region.

CHAPTER 1

ENTREPRENEURSHIP AND SMALL BUSINESS

Highlights

- Small Businesses and Entrepreneurship
- Role of Small Business in the ANCA Region
- Objectives of the Study
- Overview of the Study
- Business Establishments in the ANCA Region 1980
- Business Establishments in the ANCA Region 1983

The phenomenon of economic development has long been a subject of extensive study by economists and other social scientists. Studies on the subject indicate that economic development is highly complex and many factors underlie its process. Economists generally attribute growth to the existence of such factors as natural resources, capital, labor force, infrastructure, technology, entrepreneurship, and to the stability of political and economic institutions. While all of these factors are important, the role of the entrepreneur has often been singled out as the most vital because it is this individual who takes the initiative and provides leadership in mobilizing other resources for development. An entrepreneur takes risks associated with marketing of a new idea, a new product, or a new business. Schumpeter[1], Toynbee[2], and Hagen[3] among others have greatly emphasized the key role played by the entrepreneur in a market economy. They attribute the growth of capitalism and the material prosperity in the western societies to entrepreneurship. Lately, Peter Drucker[4] has credited entrepreneurship as a major force in reshaping the American economy, especially in the recent resurgence of small and medium-sized businesses. Entrepreneurs often begin their business undertakings on a small scale. An intimate link exists between the growth of small businesses and the availability of entrepreneurs in a society. Small businesses provide the opportunities for experimentation of new ideas or new initiatives. This study is concerned with entrepreneurship and the role it has played in the emergence of successful small businesses in the fourteen counties of the ANCA region.

Significance of Small Businesses and Entrepreneurship

Small businesses constitute the backbone of the American economy. Nearly 90 percent of the business establishments in the United States are classified as small, employing fewer than 100 workers. Small businesses make many vital contributions to the economy by generating new ideas, introducing new products, and creating new jobs. For example, during the period 1976-82, employment in small business establishments with fewer than 19 workers grew by 29.3 percent, and in establishments with 20 to 99 employees, it grew by 13.1 percent. On the other hand, employment grew by 10.7 percent in the large scale establishments with between 100 and 499 employees, and 12.2 percent in establishments employing more than 500 persons![5] During the recent economic recovery, employment in the small business sector increased at a much faster rate than in the large scale businesses. According to the 1984 State of Small Business Report, employment in the small- business-dominated industries increased by 11.4 percent during the two-year period from October, 1982 to October, 1984, while employment in the large-scale-business-dominated industries increased by only 5.3 percent.[6] In fact, the faster rate of growth in the employment opportunities within the small sector has helped reduce the severity of the unemployment problem confronting the traditional large scale businesses such as automobile and steel plants. Naturally, small businesses have come to assume a great significance in today's economy.

Peter Drucker believes that the American economy is undergoing a major structural change and that this change is most visible in the small and middle-size businesses. Small and middle-size businesses in almost every sector of the economy are leading the way. This is happening at a time when the traditional large-scale industries are declining in importance and are facing a very uncertain future. Drucker sees the emergence of a "new entrepreneurial economy" that is transforming the American business through the introduction of such practices as "systematic innovation, entrepreneurial management, and entrepreneurial strategies."[7] Because of the introduction of new and far reaching business

practices, small and middle-size businesses have become powerful sources for many new innovations and many new jobs. According to Drucker: "The new entrepreneurial economy has created the largest expansion in employment in American history – 35 million jobs at a time when traditional big businesses and government have lost more than 5 million jobs. The dynamics of the American economy have decisively shifted from the managerial economy of the decades after 1950 – the decades of the 'Fortune 500' – to an entrepreneurial economy of small and middle-sized businesses practicing systematic innovation."[8]

What is true for the United States is equally valid for New York State and for the 14 counties of the Adirondack North Country Association (ANCA) region. A New York State Senate Report[9] calls the small businesses the hidden strength of the State's economy. Similarly, Governor Cuomo, while acknowledging the many contributions small businesses make to New York's economy said, "The strength and resiliency of our State economy rest squarely on a great source--our vital small business sector."[10] In 1983, nearly 98 percent of the business establishments in New York State were classified as small, employing fewer than 100 workers. And, 80 percent of these businesses had fewer than 10 employees. The significance of small businesses in creating new job opportunities is even more critical for New York State than it is for the United States as a whole. According to the New York State Department of Commerce, during the period 1980-82, while the large businesses in the state lost 272,000 jobs, the small businesses generated 322,000 new jobs for a net total of 50,000 new jobs statewide.[11]

Small businesses play an equally significant role in the economies of the 14 counties of the ANCA region. In 1983, nearly 98 percent of the business establishments in the ANCA region were classified as small (employing fewer than 100 people); and nearly 95 percent of these establishments employed fewer than 19 workers. The frequent loss of jobs in the region because of the closing of large businesses has often been cushioned by the new employment opportunities generated in the small business sector. Tables I and II show the number of business establishments in each of the 14 ANCA region counties for 1980 and 1983, respectively. The establishments are classified according to the number of employees. The total number of establishments in the ANCA region increased from 18,437 in 1980 to 21,097 in 1983. However, during the same period, the number of establishments classified as small increased by 13 percent, whereas those classified as large increased by 3 percent. Also, establishments employing fewer than 19 persons increased by 13 percent during the same period. Thus, overall economic growth in the region can be attributed greatly to the expansion of the existing small business and/or to the starting of new small businesses.

Small businesses represent the spirit of individualism and entrepreneurship that characterizes the American society. Each year, many enterprising individuals enter the world of small business to realize what has come to be called "The American Dream." "The American Dream of being one's own boss and the cultural emphasis on independence are," according to Klatt, "behind many people's desire for business ownership."[12]

The 14 counties of the ANCA region are no exception to these attributes of individualism and entrepreneurship. This is despite the image that the ANCA region is the most difficult region in which to undertake and succeed in business. Harsh climate, lack of transportation facilities, geographic isolation, lack of adequate public infrastructure, and low population base all tend to create a negative perception concerning business and investment opportunities in the region.

Despite these odds and physical barriers, the region can take legitimate pride in attracting individuals with entrepreneurial spirit and determination to pursue profitable business activities. This is true today just as it has been in the past. Undoubtedly, the region has enjoyed a rich past that deserves mention and recognition. Without much outside help, the original settlers in the area set up profitable lumber businesses, saw mills, ice plants, travel and tourist facilities, mines, steel and paper mills, small craft shops, leather goods stores, cheese and dairy businesses, and much more. Of special significance was the establishment of fine educational institutions by local leaders to meet the area businesses' growing need for technically trained skilled labor. These pioneering enterprises were started by individuals who had the zeal and the burning desire to "make it go" against all odds. That is truly an American trait.

The spirit of individualism and entrepreneurship still persists and small businesses continue to occupy a position of pre-eminence in the region. Small businesses have come to flourish in almost every sector of the economy including the high-tech industry. Over the last few years, several small businesses relating to computer application, software development, electronic goods, and information systems have opened in the North Country. Some of these high-tech businesses have become successful and have earned a great reputation for the quality of their products and service. BSI Industries in Watertown (Programmable systems), Think Educational Software in Potsdam (Software development), Comsec Ventures in Lake Placid (Communications security), Richter Cine Equipment in Essex (Aircraft instruments), U Compute in Plattsburgh (Computer applications), and Bionique Laboratories in Saranac Lake (Biotech research) provide examples of successful high-tech small businesses. In some ways, the emergence of such high-tech businesses in the North Country provides support to what Peter Drucker calls the phenomenon of "new entrepreneurial economy." Despite the many locational disadvantages and other handicaps with which the North Country has become identified, these and other entrepreneurs have taken the risks of establishing their businesses here. Some of them have done very well. Like their forebears, the current generation of entrepreneurs seems to display the zeal and determination to succeed in their business undertakings.

Objectives of the Study

This study focuses on the small businesses which have been successful in meeting their business goals and attempts to highlight the reasons for their success. The study has the following broad objectives.

- To identify the small businesses located within the 14 counties of the ANCA region which are known to have been successful.
- To identify the characteristics of the entrepreneurs who operate these businesses in terms of their family background, education, age, and other socio-economic characteristics.
- To identify other factors responsible for success (e.g., location, product design, marketing techniques, managerial skills, and state and local incentives).
- To draw conclusions which can be used as models for attracting, promoting and nurturing new businesses and planning strategies for creating jobs in the region.
- To use these studies to dispel the perceived negative feelings about the region.

Overview of the Study

This is primarily an empirical study and deals only with those small businesses identified as successful. It is based on a survey conducted during the summer of 1986. Chapter II discusses the design of the survey and the methodology underlying the study. Chapter III presents statistical highlights of the survey results. Chapter IV provides the description of the selected successful businesses and explains the criteria used in their selection. Chapter V describes the key attributes of the entrepreneurs identified as successful. Chapter VI is the concluding chapter. It summarizes the major findings of the study and proposes a marketing strategy which ANCA and other economic development agencies should consider adopting to attract, promote, and nurture small businesses and entrepreneurs in the North Country.

TABLE I: NUMBER OF ESTABLISHMENTS IN THE ANCA REGION 1980

County	Total employees	Total est.	1 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1000 and more
Clinton	16931	1333	770	262	162	100	19	17	6	2	1
Essex	7886	856	560	162	68	48	8	8	1	1	-
Franklin	6763	769	480	155	78	39	8	7	2	-	-
Fulton	12442	945	562	169	106	64	19	18	5	1	-
Hamilton	513	149	121	14	12	2	-	-	-	-	-
Herkimer	15984	967	613	169	98	53	15	11	4	1	3
Jefferson	20730	1608	951	329	190	86	25	16	7	3	1
Lewis	3425	346	242	53	25	12	6	6	2	-	-
Oneida	68975	4338	2440	837	518	334	101	76	20	7	6
Oswego	19349	1326	781	268	134	102	14	17	5	3	2
St. Lawrence	23877	1659	998	324	175	98	28	24	4	5	3
Saratoga	23322	1984	1161	395	242	116	49	13	4	2	2
Warren	19543	1442	844	284	154	98	36	18	4	3	1
Washington	10369	708	444	151	53	34	10	7	7	1	1
TOTALS	250109	18437	10967	3572	2015	1186	338	238	71	29	20

Source: U.S. Department of Commerce, County Business Patterns, New York, 1980 (Washington, DC: U.S. Government Printing Office, 1981).

TABLE II: NUMBER OF ESTABLISHMENTS IN THE ANCA REGION 1983

County	Total employees	Total est.	1 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1000 and more
Clinton	16057	1469	887	301	147	87	25	16	2	3	1
Essex	9515	997	696	165	70	39	12	11	2	2	-
Franklin	7375	848	552	158	75	41	12	6	4	-	-
Fulton	13024	1037	625	203	101	57	24	19	7	1	-
Hamilton	516	201	170	21	6	4	-	-	-	-	-
Herkimer	13699	1046	678	188	93	59	14	7	3	2	2
Jefferson	19315	1820	1152	327	191	96	30	14	6	3	1
Lewis	3739	398	281	58	30	13	6	8	2	-	-
Oneida	69497	4909	2791	1032	531	337	111	73	18	12	4
Oswego	19497	1526	928	302	130	118	20	17	6	2	3
St. Lawrence	22322	1821	1133	344	200	91	21	19	4	6	3
Saratoga	24514	2447	1482	493	258	139	41	26	4	3	1
Warren	19461	1764	1117	308	177	100	34	21	2	4	1
Washington	9729	814	533	152	68	35	9	10	5	1	1
TOTALS	248260	21097	13025	4051	2077	1216	359	247	65	39	17

Source: U.S. Department of Commerce, County Business Patterns, New York, 1983 (Washington, DC: U.S. Government Printing Office, 1985).

ENDNOTES

1. Schumpeter, J.A. The Theory of Economic Development, (Cambridge, MA: Harvard University Press, 1934).

2. Toynbee, A. The Industrial Revolution (Boston, MA: Beacon Press, 1956).

3. Hagen, E.E. On the Theory of Social Change, (Homewood, IL: Dorsey Press, 1962) and The Economics of Development, (Homewood, IL: Irwin, 1986).

4. Drucker, P. Innovation and Entrepreneurship: Practice and Principles, (New York: Harper and Row, 1985).

5. The U.S. Small Business Administration, The State of Small Business: A Report to the President (May, 1985), (Washington DC: U.S. Government Printing Office, 1985), 21-22.

6. Ibid, page 1.

7. Drucker, Innovation and Entrepreneurship, Chapter I.

8. Ibid, (front flap) and Chapter I.

9. New York State Assembly, Small Business: New York's Forgotten Majority, February 21, 1980.

10. See New York State Department of Commerce, Your Business: A Management Guide for Small Business (1986) page 1.

11. Small Business Division, (New York State Department of Commerce) Small Business Fact Sheet, November 1984.

12. Klatt, L.A. Small Business Management: Essentials of Entrepreneurship, (Belmont, CA: Wadsworth Publishers, 1973) page 15.

CHAPTER II

DESIGN OF THE STUDY – METHODOLOGY

Highlights

- Definition of a Small Business:
  - employs less than 100 persons
  - is resident in New York State
  - is independently owned and operated
  - is not dominant in its field
- Definition of a Successful Business:
  - in operation for at least 4 years
  - a high growth record
  - employs other than family members
  - has an innovative approach to the market
  - successful use of the area's resources
  - affect the state, national or international market
- Agencies Used to Identify the Businesses:
  - Economic Development Agencies
  - Industrial Development Agencies
  - Chambers of Commerce
  - NYS Department of Commerce, Regional Offices
  - Commercial Banks
- Number of Businesses Identified as Successful in the ANCA Region

Definition of a Successful Small Business

At the outset, it is important to define the term "small business" and to explain the criteria used in identifying a "successful" business. The New York State Department of Commerce classifies a business as "small" when it meets the following conditions. It must employ fewer than 100 persons, be resident in New York State, be independently owned and operated, and not be dominant in its field. Thus, the term "small business" as it is defined by the Commerce Department covers business establishments such as corner grocery stores, "mom and pop" stores, retail and wholesale outlets, manufacturing and assembling plants. This definition is generally accepted by government agencies, including the Small Business Administration, and by most researchers on the subject. For the purposes of this study, we shall use the same definition as well.

To identify businesses which have been successful in their operations is, however, not as easy. There is no single rod of judging a businesses's success. Most businesses have different goals and what is "success" to one business may not be for another. For example, one business may consider itself "successful" if its profits exceed certain minimum limits. Another business may consider itself "successful" if it is able to maintain a stable rate of growth either in terms of total volume of sales or assets. Because of difficulties inherent in classifying a business as successful based only on one single indicator, we decided to use several indicators of business performance. The following set of indicators was used for selecting businesses for the study. The businesses were considered generally successful if they met some of the following criteria.

- Have been in operation for at least four or five years.
- Have a high growth record, especially in terms of its sales/assets/employment.
- Provide employment to those outside the immediate family.
- Represent an innovative approach in identifying, creating, and satisfying the demand for product or service.
- Represent an innovative approach in successful utilization of the unique assets of the area, such as its natural resources and tourism facilities.
- Exploit the market opportunities beyond the local region, i.e., these businesses go beyond the local market and sell their product in the state, national, or international market.

The above set of indicators was used as a "guide" in identifying successful businesses in the region.

Methodology Used For Getting the Names of Successful Businesses

Getting the names of small businesses located within each of the 14 counties of the ANCA region proved to be a very difficult task. No agency, either at the county or local levels, seems to have up-to-date directories of small businesses within their areas. Given the constraints of time and other resources, it was not feasible for us to develop a comprehensive list of all small businesses located within the region. We, therefore, concentrated on getting the names of successful businesses only.

Several agencies, both public and private, within each county were contacted by mail and were requested to indicate the names of small businesses they thought were successful in their areas. Letters outlining the criteria for selecting successful businesses and the major objectives of the study were sent to the following agencies in each county.

- Economic Development Agencies
- Industrial Development Agencies
- Chambers of Commerce
- NYS Department of Commerce Regional Offices
- Commercial Banks

In all, about 150 public and private agencies were contacted. The response was not very encouraging. A great deal of time and effort was spent in getting the names of successful businesses, including sending them a reminder letter. The success of our study depended upon receiving the names of successful businesses. While economic development agencies talk about some of the successful businesses in their jurisdiction, the response when asked to identify those businesses was rather poor. The problem of identifying successful businesses and of having an up-to-date listing of business establishments is discussed later in this study. After considerable effort, we were able to obtain the names of nearly 400 businesses that were considered successful. Table III, below, gives the number of business establishments which were identified as successful in each of the 14 counties.

TABLE III:

Number of Businesses Identified as Successful
in the 14 Counties of the ANCA Region

County	Number of Businesses
CLINTON	43
Essex	58
Franklin	12
Fulton	4
Hamilton	5
Herkimer	61
Jefferson	38
Lewis	8
Oneida	103
Oswego	10
St. Lawrence	16
Saratoga	9
Warren	32
Washington	12

It must be emphasized that this sample was identified for us by various agencies, public and private, located within each county. It is fair to say that these agencies did their best to identify successful business in their jurisdictions. Most of these agencies are intimately involved in economic development and should, in general, be aware of businesses that are doing well. However it is possible that the names of some businesses might have been left out inadvertently. We, of course, have no way of knowing that. In any empirical study, one often faces this kind of limitation. It is our hope that our efforts and the cooperation extended to us by the various agencies were indeed successful in identifying most of the successful businesses.

Survey Questionnaire and The Response Rate

The study was conducted using a survey questionnaire. Each business was sent a questionnaire by mail. The questionnaire was divided into six parts. Part I contained questions in regard to the nature and size of the business. Part II contained questions in regard to the reasons for starting the business. Part III asked the entrepreneurs to identify the reasons for their success. Part IV asked them to identify the reasons for locating in this area. Part V dealt with the socio-economic profile of the business owner. Part VI contained some general questions in regard to the business.

Nearly 400 businesses were sent the questionnaire and about 100 of them responded, giving a response rate of 25 percent. Initially, the number of businesses responding to the survey by the deadline was quite small. The businesses which did not respond were sent a reminder and this helped obtain additional responses. Given the nature of the survey, the response rate of 25 percent can be considered statistically acceptable and valid for drawing conclusions.

CHAPTER III

STATISTICAL HIGHLIGHTS: OF THE SURVEY RESULTS

Highlights

- Profile of the Businesses:
  - 100 questionnaires out of 400 were returned
  - 38% of the respondents are in manufacturing
  - 50% are 14 years old or younger
  - 78% are incorporated
  - 63% have sales growth of greater than 10%
  - 23% have assets greater than $2 million
  - 47% have assets growth of greater than 10%
  - 20% began with only 1 employee
  - 52% have fewer than 16 employees
  - 42% have 100% full time employees

- Reasons For Starting Their Business and For Their Success
  - 58% began because they "wanted to own something"
  - 53% have achieved their business dreams
  - None has given up on his/her dreams
  - 35% are successful because of the "uniqueness of their product"
  - 48% relied on "marketing strategy" for success
  - 79% claim "hard work" is crucial to success

- Reasons For Locating in the ANCA Region
  - 28% chose the ANCA Region because of the "high quality of life"
  - 10% chose the region because of the availability of labor
  - 10% located here because of the positive attitude of the communities toward businesses
  - 74% settled in spite of NYS incentives
  - 65% settled in spite of community incentives

- Socio-Economic Characteristics of the Entrepreneurs
  - 40% of the owners were born in "upstate New York"
  - 48% are below 45 years of age
  - 54% have earned their "bachelor degree"
  - 86% were previously employed

- 58% had previous experience in their business
- 86% are married
- 54% have 2 or 3 children
- 42% of the owners spouses have earned the "bachelor degree"
- 42% of the spouses are employed in the "same business"
- 70% of the owners are "outgoing"
- 54% of the spouses are "outgoing"
- 52% of the owners parents are "not natives of the ANCA region"
- 66% of the parents "do not own a business"

Out of the nearly 400 questionnaires mailed to the businesses, 100 completed questionnaires were returned giving a response rate of 25 percent. Responses were received from each of the 14 counties. As discussed earlier, a response rate of this magnitude is generally considered statistically acceptable and valid for drawing conclusions.

The survey responses were tabulated using the computer facilities at Potsdam College. Statistical highlights of the survey findings are given below. These results were used in drawing conclusions concerning the key attributes of successful entrepreneurs (Chapter V), and in developing recommendations for the marketing strategy proposed in Chapter VI.

SUMMARIZED RESPONSES TO "QUESTIONNAIRE FOR SUCCESSFUL SMALL BUSINESSES IN THE ANCA REGION"

Nature of Business:

38 (38.4%) were manufacturing.

20 (20.2%) were retailing.

17 (17.2%) were service related.

Among the other types of businesses, each had fewer than 10% of the total.

Age of Business:

50% of the responding businesses are 14 years old or younger. Responses ranged, however, from less than a year (3) to more than 100 years (3). Also, a quarter of them are 5 years or younger (23).

Legal Status::

77.8% of these businesses are incorporated (77).

13.1% are Proprietorships (13).

8.1% are Family Ownerships (8).

Growth of Sales:

62.6% had greater than 10% growth of sales over the preceding 5 years (62). Some of these had not even been in operation for a full five years.

Value of Business Assets:

23.2% (23) had assets valued at more than 2 million dollars.

20.2% (20) had assets valued between 1 million and 2 million.

18.2% (18) had assets valued between $100,000 and $200,000.

11.1% (11) had assets valued at less than $100,000.

Growth of Assets:

Over the past five years (when applicable):

47.5% (47) have grown more than 10%.

10.1% (10) have grown 0–3%.

23.2% did not respond to this question.

Initial Number of Employees:

20.2% (20) began with only 1 employee.

13.1% (13) began with 2 people.

15.2% (15) began with 3 people.

Present Number of Employees:

Answers range from 1 (3) to greater than 1000 (1) but 51.5% still have 16 or fewer employees.

Percentage of Full Time:

42.4% (42) have 100% full time employees.

9.1% (9) have 90% full time employees.

8.1% (8) have no full time employees.

Reasons for Starting the Business:

Over half of the respondents (57.7%) claim that wanting to own something was an important factor in starting their business.

48.5% wanted to be their own boss.

51.5% had a good mind for doing something new. 51.5% feel that good organizational ability is important in starting a business.

59.6% have a good sense of what will sell.

45.5% started because they felt they could detect new markets.

52.5% felt that taking risks for profits was important.

57.6% claimed that leaving a legacy was irrelevant.

55.6% indicated that they were not fascinated by wealth and power.

Most important reason for starting:

Almost half (45.5%) did not respond to this question.

Of those that did, 20.2% (20) indicated that they wanted to be their own boss.

Achievement of aspirations:

53.5% (53) have achieved their business dreams.

35.4% (35) have partially achieved their goals.

6.1% (6) have not realized their goals.

Eventually achieve goals?:

Of those who have not yet achieved their goals, 31.3% (31) are sure that they will. Another 12.1% (12) think they might. Not one has given up on their dream.

Reasons for success:

35.4% (35) attribute their success to the uniqueness of their product.

21.2% (21) say it's product design.

Market characteristics:

48.5% relied on marketing strategy for success.

31.3% (31) depended on filling an unsatisfied demand.

Miscellaneous:

78.8% (78) see hard work as a crucial to success.

73.7% (73) claim commitment to succeed.

51.5% (51) rely on customer service.

Note: Luck was least depended upon.

Location decision:

28.2% (28) chose their location because of the area itself.

11.1% (11) settled because of the trainable labor supply.

10.1% (10) relied on access to banking and finance.

10.1% (10) located in the ANCA region because of the communities positive attitude toward business.

Note: The other options received very low ratings.

New York State incentives:

73.7% (73) would have settled in spite of NYS incentives. Only, 3.0% (3) would not have stayed.

Community incentives:

64.6% (64) would stay regardless of community incentives. Only 7.1% (7) would not have stayed.

PERSONAL INFORMATION AND HISTORY OF OWNER

Place of Birth:

40.4% (40) of the owners were born in upstate New York State.

35.4% (35) were born outside New York State. And, only 20.2% (20) were born in the rest of New York.

Owner's age:

48.5% (48) are 44 years old or younger.

Note: Ages range from 23 to 72 years old.

Level of education:

A full 54.5% (54) of the owners earned their bachelors degree.

Note: Answers range from grammar school to Ph.D.

Employment history:

85.9% (85) were employed before opening their present business.

Related business:

Of the above, only 57.6 (57) had experience in their present field.

Marital Status:

85.9% (85) are married.

9% (9) are not married.

Length of Marriage:

There is no large focus on the length of marriage. Answers range evenly from 1 year (3) to 53 years (1).

Number of children:

53.6% (53) of the owners have either 2 or 3 children.

Spouse's education:

42.4% (42) of the owners' spouses have bachelors degree.

Note: Answers ranged from high school to masters.

Spouse's employment:

42.4% (42) of the spouses are employed in the same business.

11.1% (11) are employed outside of the business.

34.3% (34) are not employed.

Number of siblings:

Three quarters (77.8) of the respondents have 3 or fewer siblings.

Spouse's number of siblings:

Three quarters (77.8) of the spouses have 3 or fewer siblings.

Personality:

69.7% of the respondents feel that they are outgoing.

53.5% of the respondents feel that their spouses are outgoing.

Parents:

51.5% (51) claim that their parents are not natives of the ANCA region.

Parents' education:

44.4% (44) of the fathers have completed high school as their highest level of education.

55.5% (55) of the mothers have completed high school as their highest level of education.

Other businesses in family:

65.7% (67) of parents do not own a business.

Of those who do, 77.8% (77) are not related to the respondent's business.

66.7% (66) say there are no other businesses in their family. 68.7% (68) say there are no other businesses in their spouse's family.

Business traits:

64.6% (64) have expanded in the same location.

36.4% (36) have relocated to larger space in same area.

24.2% (24) have changed ownership since opening.

Note: These are mostly family businesses handed down.

9.1% (9) have brought in new partners.

4.0% (4) have become public concerns.

CHAPTER IV

DESCRIPTION OF THE SELECTED SUCCESSFUL BUSINESSES

Highlights

- Criteria for Selecting the Success Stories
  - Innovative and Different
  - Emphasize the Diversity of the Region
  - Longevity of the Enterprises
  - Region-wide Representation

- Description of the Businesses Selected for Case Studies

1.	J. D. Dame & H. Paul Development, Plattsburgh (Clinton)	25
2.	Sundog Ski and Sport, Lake Placid (Essex)	28
3.	Artists Cafe, Lake Placid (Essex)	31
4.	Adirondack Flying Service, Lake Placid (Essex)	33
5.	Richter Cine Equipment, Inc., Essex (Essex)	35
6.	ComSec Ventures,Inc., Lake Placid (Essex)	37
7.	OWD,Inc., Tupper Lake (Franklin)	40
8.	Tupper Lake Veneer, Tupper Lake (Franklin)	43
9.	Bionique Laboratories, Inc., Saranac Lake (Franklin)	45
10.	Nelson A. Taylor Co., Inc., Gloversville (Fulton)	47
11.	Wilt Industries, Inc., Lake Pleasant (Hamilton)	49
12.	Tumble Forms, Inc., Dolgeville (Herkimer)	51
13.	BSI Industries, Inc., Watertown (Jefferson)	54
14.	Schultz's Fastidious Foods, Croghan (Lewis)	57
15.	Beverly Distributing Corp., Utica (Oneida)	59
16.	Northern Aggregates, Inc., Fulton (Oswego)	62
17.	The Bagelry, Potsdam (St. Lawrence)	65
18.	Think Educational Software, Inc., Potsdam (St. Lawrence)	67
19.	Hackett Hardware, Inc., Ogdensburg (St. Lawrence)	69
20.	Sunfeather Herbal Soap Company, Potsdam (St. Lawrence)	71
21.	Victory Specialty Packaging Co., Victory Mills (Saratoga)	74
22.	Adirondack Associates, Clifton Park (Saratoga)	76
23.	R Jennings Manufacturing Company, Inc., Glens Falls (Warren).	78
24.	North American Recycling Company, Inc., Fort Edward (Washington)	81

Criteria for Selecting the Success Stories

The success stories included in this report were carefully selected according to a predetermined criteria designed by the authors. The criteria was built into the initial letter of inquiry mailed to the area's various agencies to gather the list of such small businesses located there. Since the stories were selected out of the responses (about 25 percent) we have tried to convey through them the diversity of the region and a sense of the richness of its resources which can be mobilized to develop a strategy for development.

No criteria is perfectly scientific. In many respects, the selection depends upon the objectives of the study. Our criteria included the following concerns.

Innovative and Different: In choosing the success stories, we were concerned with the businesses which were outside the economic character of the community. Since every community, county, and region always has businesses that provide the essential necessities and daily needs of that community, such businesses do not present the economic dynamism which comes from entrepreneurship. Entrepreneurs bring change, and because of the unique role they play in starting new businesses they make the community take notice of them. It is these businesses we wanted to recognize since the study is concerned with attracting new businesses to the region.

Emphasize the Diversity of the Region: The 14 county ANCA region is neither homogenous nor is the same economic structure present throughout. It includes a full range of structures from highly industrialized counties (Herkimer and Oneida) to rural and scenic counties (Essex and Hamilton). Each county in the region possesses different strengths and weaknesses, and would attract those businesses which are in line with its economic character. In choosing our stories, we were conscious of the fact that the more developed counties would contain more manufactured activity and less tourism- oriented businesses. While the rural counties would possess exactly the reverse pattern in their economic profiles. Thus, we chose our stories to reflect other possibilities and present those businesses from each county which were contrary to the county profile. Each county has the potential to bring businesses which are different from the existing ones. Therefore, counties should not miss those opportunities. We feel that ANCA's strength is in emphasizing this diversity both within the individual counties and the entire region and using it as a strategy to bring a variety of businesses to each of the 14 counties.

Longevity of the Enterprises: Only those success stories are chosen which have been in existence for a certain period of time. Statistics prove a very high mortality rate of new businesses in the early stages - 50 percent of the new businesses perish during the first year of their existence. Therefore, we considered only those businesses that were in operation for at least four years with a proven track record of growth in assets, sales, and employment. Moreover, businesses presented here also have a potential for market growth beyond the confines of the local area. They interact with the wider world beyond this region. Since one of the study's concerns is to highlight the region's accessibility to the national and international markets, (contrary to the popular impression of the secluded nature of the region), the choice was limited by this concern.

Region-wide Representation: Our last concern was to at least present one success story from each of the counties of the ANCA region. Since our selection had to be from the responses we received from our survey questionnaire, the selection was easier for those counties with multiple responses compared to those counties with fewer ones.

The stories included in the report should in no way detract from the importance and the success of many other respondents not included here. The problem is made more difficult when a choice has to be made among many deserving businesses. The limitation of time and space was omni-present in our selection. In selecting stories, we tried to concentrate on small businesses rather than the large ones. Consideration of businesses owned and controlled by Canadian citizens was excluded from this report.

Company Name and Address: J.D. Dame & H. Paul Development
West Bay Plaza, Suite 206 - 208
Plattsburgh, NY 12901

Owner's Name: J. David Dame

Place of Birth: Syracuse, NY

Education: Plattsburgh State University College

Type of Business: Servicing/Contractor

Time in Business: 14 years

Growth of Assets: $500,000 annually

Employment: **Initially:** 5 **Presently**: 100+

Growth of Sales: 100 percent per year **Most important reasons for starting business:**

My home environment fostered independent thinking and action.
I personally need a free hand in my direction to function.

Most important factor(s) for success:

Uniqueness of product

Quality of product

Financing ability

Creation of new potential markets

Uniqueness of retail, direct marketing

Existence of unsatisfied demand

Absence of competition

Commitment to succeed

Hard work

Most important reason for locating in NYS:

Access to banking and finance resources

Low electric and industrial power rates

Dame and Paul Development, Plattsburgh, NY (Clinton)

David Dame is an entrepreneur in the best sense of the word. An entrepreneur is one who creates something new and exciting, takes risks and enjoys profits. Profits, per se, are not important to him. It is the idea of creating which makes the entrepreneur tick. An entrepreneuer generally is inner-directed: he hears his own calling regardless of the wider social norms, mores, or standards. It is said that the way he is reared from childhood is responsible for his later behavior.

David's home environment fostered independent thinking and action from childhood and he enjoyed challenges from all types of competitions. As his story reveals, over a period of 14 years, David has become the most important developer in northern New York, investing $13 million in two and one-half years in Plattsburgh.

Born in Syracuse, in a family whose roots are in Clinton County, David's father had his own retail ice cream business. He had hoped for his son to join him in his business after graduating from college. Unfortunately, he had forgotten about having fostered in David a sense of independence. After two months of working with his father, David quit the security of running a family business to be on his own. He came back to Plattsburgh in 1972 where he had spent four years as a college student. He contacted his old employer, who had given him part-time work as a house painter during college. After some time, he started his own painting business. In 2-3 months, he was in a position to hire a couple of employees and had started to take on relatively large commercial contracts. His putting down $400 to $500 for a piece of property in Chazy (NY) was the first such venture which proved to be profitable and got him started in his construction business. Back then, Clinton County and Plattsburgh had just started experiencing population growth which attracted other businesses including a new bank. The competition among the banks favored David and allowed him to secure a mortgage to build a house for his family on the Chazy property. The house gave him his first "sweat equity" which he used to purchase and develop other properties in Clinton County. From painting to construction, David started renewing old buildings in Plattsburgh for rental. Though he had several rental properties before, his first major rental came when he borrowed $170,000 at 9 1/2 percent to renew an old lumber mill. The idea was new and exciting and his "Old Mill House" became a symbol of urban renewal in Plattsburgh. Since then, David has moved up to doing bigger and better things: buying parcels of vacant land and turning them into prestigious addresses. In the past 3 years, he has developed the entire North End in the city of Plattsburgh, which had remained undeveloped for the past 15 years, except for a few dated and unspectacular motels, a fast food restaurant, and, lately, a health club. The North End, divided by a major road and located on Lake Champlain was one of the last pieces of vacant property within the city limits. It was not designed for single family homes but needed some imagination and a bold scheme to make it attractive for people to live there. Today, with a combination of townhouses, condominiums, apartments holding 145 units, and a mini-mall, the North End is the show piece of a thriving community in Plattsburgh.

At present, J.D. Dame/H. Paul Associates employ over 100 full time people, divided between construction, maintenance, and rental businesses. The company, in the past five years, has doubled itself every year with assets growing to $500,000 annually. Except for managing its rentals, the company is not involved in the management of condos and townhouses, which have their own cooperatives. David is much involved in the business from seeking other developmental properties to financing construction, and the final sales. For the size of his business, David has exceeded the financing limitations imposed on the local banks by state and federal regulations. In spite of apparent success, the company still faces the close and careful scrutiny of the local planning and zoning

boards. Among the factors responsible for starting his own business, David considers his desire to be his own boss, creating something from nothing, enjoying the challenge from competition, and his ability to sense what will sell as most important. He credits his hard work, the uniqueness of the products, creating and satisfying new markets, and his commitment to succeed as the reasons for his success. Since his college days, David has viewed, and still believes, Clinton County, and Plattsburgh in particular, has great potential. There is always a demand for various services here and all it takes is for someone to take the first step. For his business, access to banking and finance and the availability of low electric and industrial power rates are important considerations. Though David enjoys the challenge from competition, he believes it to be absent in the area. In the construction business, he does not view the presence of many contractors as serious competition. To him, they are all involved in construction of single family homes, with no vision or capacity to undertake complete development projects. And he should know from his experience of coming from nowhere to a position of dominance and literally transforming the map of the Plattsburgh area.

Company Name and Address: Sundog Ski and Sport
Main Street
Lake Placid, NY 12946

Owner's Name: Mike McGlynn

Place of Birth: Muskegon, MI

Education: St. Lawrence University

Type of Business: Retailing/Ski Equipment

Time in Business: 8 years

Growth of Assets: 10-15 percent

Employment: **Initially:** 6-8 **Presently:** 10-12 **Growth of Sales:** 18 percent

Most important reasons for starting business:

Wanted to be own boss

Liked creating things

Most important factor(s) for success:

Uniqueness of the product and product design

Uniqueness of the marketing strategy

Uniqueness of customer service

Commitment to succeed

Hard work

Most important reason for locating in NYS:

Location of the area

Access to cultural amenities

Community's attitude toward business

Sundog Ski and Sport, Lake Placid, NY (Essex)

One thing can be said about Mike McGlynn, he is goal-oriented. In little over eight years he has become his own boss, bought out his partners, expanded his sports business, has married, and is planning to further expand the business and diversify into manufacturing. For a young man of 32 years, Mike sounds and acts like a mature businessman, well aware of the potential dangers of going too fast, too soon, or getting involved in too many things at the same time to be unable to concentrate on the important ones. He is enthusiastic about what he is doing and loves the business in which he is involved.

In fact, it was the love of sports--skiing specifically--that brought Mike to northern New York from Muskegon, Michigan. Being the second oldest among six children, he enjoyed "creating" new things. When he was growing up, his family bought an old barn, renovated it, and sold it at a handsome profit. It may be that his entrepreneurial spirit was born at this time, when he realized the rewards of "creating" with tangible results. He won a ski scholarship to study at St. Lawrence University and came to the north country to train and compete in the 1980 Winter Olympics at Lake Placid. With the Olympics on the horizon, a number of people, including Mike, speculated about the tremendous business opportunities developing in the region. Mike decided to do something about it. With a college friend and two others, Mike opened Sundog Ski and Sport in Lake Placid in 1978. Mike was the ski expert in the business because of his training and knowledge of the sport. They borrowed the initial capital of $100,000 from a local bank on a line of credit from one of the partners.

The partnership did not last long. The years between 1978 and 1981 were filled with high inflation and higher interest rates. All of the other partners were inactive in the sports business because of their other business interests. For a new business, the problem with the cash flow and low returns made Mike's partners uncomfortable. They decided to pull out. But by then, the bug of "being one's own boss" had bitten Mike, who had never worked for anyone else, and he decided to make a go of it on his own. His present enthusiasm shows he has not regretted that decision.

Mike enjoys the freedom that owning a business provides. That freedom translates into hard work, long hours in the office, and a commitment to succeed. He has a good organizational ability with a keen sense of what will sell. He is not reckless, and, coming from a family of non-businessmen, he does not like to take risks for a profit. He is outgoing and is involved intimately with the community and its various activities. In fact, as he tells it, there was a time when his involvement in the community became so heavy that it started hurting his business and he had to cut down. Today, he is less involved but gears his involvement to projects--sports--in which he can make a contribution to the community and also create a new potential market for himself. For example, along with two others, he is responsible for the development of the Lake Placid Soccer Center.

Among his many reasons for success, Mike attributes it mostly to the uniqueness of the product, marketing strategy, and his excellent customer service. Sundog, as a retail sporting goods outlet has created a niche for itself by staying ahead of the pack.

Mike's training and knowledge of the ski industry has given him an edge on his competitors. Mike knows the industry, keeps up with advances, and is one of the first to introduce new products to his customers. As an example, Mike mentions Salomon, a long-time manufacturer of bindings and ranked as number one in the nation and the world in sales. When Salomon decided to produce boots as well, Mike knew they would be

successful. He began selling them at his sports shop, and soon his customers proved that his instinct was right. Good sportsmen are willing to pay for advanced gear that will enhance their performance in their chosen sport. By providing this service to his customers, Mike has been able to compete effectively in Lake Placid and in other parts of the state and nation.

At the same time, Mike has renovated the shop, upgraded the service counters and display areas, and has trained his staff to serve the customers with courtesy and efficiency. Since last year, he has also started renting equipment. His future plans for expansion include more sports clothes and sportswear with his business logo-- Sundog. The manufacturing of sports clothes, as he sees it, could be like a cottage industry which in turn would benefit the Essex County region with its highly seasonal unemployment. He plans to use the area's ski racing events to promote his store by encouraging competitors to wear gear with the Sundog design.

Sundog Ski and Sport owes its origin and existence to the unique location of Lake Placid in Essex County. The area is well-known for its natural beauty and its attraction to both summer and winter sports enthusiasts. Amateur or professional, athletes of all levels come to Lake Placid to enjoy various outdoor activities. Its access to major sports events has given a natural advantage to local businesses, especially the sports industry. Businessmen like Mike like the positive attitude of the community toward business. By tapping these feelings, the community can attract more businesses to the area. In spite of the lack of state and local government support, new business investment can be achieved. The region has to develop a sense of itself and a "love" of what it is doing. There are people, like Mike McGlynn, who are willing to help in this pursuit.

Company Name and Address: Artists' Cafe
One Main Street
Lake Placid, NY 12946

Owner's Name: Edward Kane

Place of Birth: Brooklyn, NY

Education: Pace College

Type of Business: Restaurant

Time in Business: 4 years

Growth of Assets: 400 percent

Employment: **Initially:** 13 **Presently:** 18

Growth of Sales: 10 percent

Most important reasons for starting business:

To make the money unobtainable by working for others

Most important factor(s) for success:

Uniqueness of the product and product design

Creation of a new potential market

Uniqueness of the market

Uniqueness of the market strategy

Uniqueness of retail, direct marketing

Unsatisfied demand

Unique customer service

Commitment to succeed

Hard work

Most important reason for locating in NYS:

Attracted by area's advertising

Location of the area

Artist's Cafe, Lake Placid, NY (Essex)

When Edward L. Kane, a Brooklyn-born businessman, got tired of living in New Jersey, the place that attracted him was the community of Port Kent, where he had spent his summers as a youth. While in Port Kent, Edward frequently visited Lake Placid and often vacationed there. Five years ago, with his children grown up, he decided to listen to his inner call for the north country and moved here to live, work, and prosper. Since then, he has expanded his chemical business, bought a successful restaurant, planned to open a second one in December, and is in the process of negotiating for a third. From his relaxed demeanor, youthful voice, friendliness, and the enthusiasm he shows, it is obvious that he has not regretted that decision. He is the best advertisement for any community to attract new businesses to its area.

Ed was working for Sterling Drug in New Jersey when he became dissatisfied with the incentives and reward structure of the company. With his experience and knowledge of the chemical business, and the yearning to make money unobtainable when working for others, he decided to start his own business in New Jersey and compete with his former employer. He started his business as an agent for other chemical manufacturers, most of whom he had known through his previous employment. The initial investment for the business came from a second mortgage of $25,000, a retainer's fee, and a $5,000 family loan. As a manufacturer's agent, he received a percentage of the sales and slowly expanded his product line to include distribution of chemicals for a fee. At present, he represents domestic and foreign manufacturers and operates a national company out of Lake Placid. A chemical company from Finland also uses Ed's company to distribute a microbial test device for use in metal-working fluids. Ed has diversified to include the manufacture and distribution of custom- manufactured chemicals. Today, his chemical business grosses over three-and-one-half million dollars in sales and has over two million dollars in assets.

Since moving to Lake Placid, Ed has bought an established restaurant. Hard work and business acumen have helped him not only in his chemical business, but in the restaurant as well. Revenues have increased four-fold since he bought the Artists' Cafe. Because of its success, Ed planned to open a second restaurant in December and is currently negotiating for a third. Each of his businesses is a separate entity. As a business strategy, Ed plans to tap the tourist trade by catering to the middle income group while taking advantage of economies of scale in such things as purchasing supplies, training personnel, and accounting and finance for his three restaurants.

While the fascination of wealth, power, and the freedom to do things may have been important to Ed in starting his business, the commitment to succeed has now become his motivating factor. To him, luck in business translates into hard work, long hours, and using the "God-given" tool--the mind--to its fullest potential. He has detected new and upcoming market opportunities and has a good sense of what will sell in an ever-changing market. He attributes his success to the uniqueness of his marketing strategy, customer service, and the product and product design. His only complaint so far has been putting too much trust in others, which could lead to trouble in business.

What would he suggest to new and upcoming businesses? A thorough knowledge of the business, enough capital for two to three years, a physical presence in the business, and not putting too much faith in others. These essentials can help a dedicated businessman realize his dreams.

Company Name and Address: Adirondack Flying Service
Lake Placid Airport
Lake Placid, NY 12946

Owner's Name: Steve Short

Place of Birth: Newark, NY

Education: Canton ATC

Type of Business: Tourism Related/Air Transport

Time in Business: 18 years

Growth of Assets: 2 percent

Employment: **Initially:** 2 **Presently:** 6

Growth of Sales: ---

Most important reasons for starting business:

Always liked to take risks for profit

Most important factor(s) for success:

Uniqueness of product

Uniqueness of production process

Unsatisfied demand

Commitment to succeed

Uniqueness of customer service

Hard work

Most important reason for locating in NYS:

Availability of public infrastructure

Adirondack Flying Service, Lake Placid, NY (Essex)

Steve Short could not have asked for more. He loves the business he owns and the community in which he lives. He was brought up by a family which was in the air taxi business and he enjoyed flying planes from his very early childhood. Steve got his flying license at an early age. After searching for a career in the airline industry, he joined the family business to help his father, who had taken an early retirement because of a stroke. Steve bought the business from his father in 1975, becoming the third owner of Adirondack Flying Service (AFS) which was originally started by a Tupper Lake man and sold to Steve's father in 1967.

The business has been steady in the past five years. The only growth in the business revenues has come from the sale of a couple of airplanes. This revenue has gone into financing the expansion and upgrading of the business. Steve owns three planes and is a second partner in another business as well. AFS offers a full range of flying services: scenic tours of the area; charter flights; air ambulance service and flying lessons. However, the charter business is the predominant service of AFS. Charters include flying people to conferences and making flight connections at other airports in the Northeast and, occasionally, to airports in other states. This aspect of the business has been steady because of the nature of the local economy. The lack of big industries and major businesses in the area affects the type of aircraft chartered and thus hinders the upgrading of service. Steve recognizes the limitation this imposes on The Adirondack Flying Service, which has mostly single engine planes instead of diversifying with twin-engine jets that are rented by major industries and business for longer and smoother flights. With the increasing attraction of industries and the migration of wealthy individuals to this region since the 1980 Winter Olympics, Steve hopes to turn this situation around.

The Adirondack Flying Service currently employs six people--up from two a few years ago. They include a pilot, a flying instructor, an accountant and four office people. The air taxi business is seasonal. July and August are the busiest months, with March, November, and December the slackest. Steve credits the success of his business to the uniqueness of customer service, commitment to success, and hard work. Although the ability to detect what would sell and knowing the upcoming market opportunities were important in buying the air taxi business, Steve also considers luck to have played a role in his success. At this point, he is confident he will eventually achieve his aspirations.

While Steve did not make an in-depth market analysis before locating in Lake Placid, he considers the location of the area and the availability of public infrastructure in the community as special assets for his business. Among the other positive elements in the community, he views access to banking and financial resources, New York State's special incentives program (such as job training rebates), proximity to cultural amenities, and the community's attitude towards business as important. Though he feels that he would have located his business in Lake Placid regardless of any state or local incentives, he is irritated by the lack of support and understanding by the town. The Adirondack Flying Service rents the airport building and hangars from the town at a considerable fee which makes it quite difficult for Steve in business. He also considers New York State's taxes damaging. More importantly, for businesses like his, the complexity of the tax procedures and laws such as the State's Air Ambulance Laws are inhibiting to growth. For example, the State charges an $.08 per gallon aviation fuel tax, which Steve has to apply later for a refund, creating extra accounting and paperwork. Similarly, he feels that the airport needs major improvement. Federal funds from excise tax revenues on fuel and aviation fees are available for this but funding requests have to be made. So far, no such steps have been undertaken by the local authorities.

Company Name and Address: Richter Cine Equipment, Inc.
Essex, New York 12936

Owner's Name: K. Richter

Place of Birth: Randolph, MA

Education: Harvard University

Type of Business: Manufacturing Aircraft Instruments

Time in Business: 30 years

Growth of Assets: $8,000 per year

Employment: **Initially:** 1 **Presently:** 13

Growth of Sales: $12,000 per year

Most important reasons for starting business:

Made products to fill special needs

Most important factor(s) for success:

Uniqueness of the product

Unsatisfied demand

Most important reason for locating in NYS:

Location of the area

Richter Cine Equipment, Inc., Essex, NY (Essex)

The saying that "necessity is the mother of invention" comes to mind as you listen to the story of Ken Richter in starting his business in Essex, New York. Mr. Richter, who makes educational and travel films, flies planes like others use automobiles in their profession. Being familiar with aircraft technology, when Ken Richter needed instruments which were unavailable in the market, he simply designed and produced those instruments. Today, two of his instruments are extensively used – one on 11,000 planes and the other on 54,000.

Though Richter Cine Equipment, Inc., has become better known since April 1985, when it received an Academy Award for its Reflex Auto Collimator (a precision instrument designed for testing photographic optics), the company has been manufacturing equipment for lens testing and aircraft instruments since 1956. Currently, the firm is preparing to manufacture a professional 16 mm stereo theatre projector which will transform future theatre projection. The projector will be computerized so that the entire theatre operation can be manned by one person. The projector follows another Richter Cine Equipment product: a 16 mm camera, the smallest and lightest professional movie camera in the

world, capable of providing theatre– quality pictures. The camera has already won international recognition by professionals in the field. It has been used at Mt. Everest three times and recently for taking pictures of a ski trip to the North Pole.

All this equipment is manufactured in a renovated barn not far from the house where Ken's wife was born. Ken became enchanted with the North Country one summer when he came to show his travel films in several resort hotels in the region. He met his wife in Plattsburgh and, after they were married, decided to make a home where they could store their film-making equipment in one location rather than in several locations around the world in London, Paris, Rome, Beirut, and Hollywood. They chose the area for its low cost and for the tranquility of its surroundings. The financing of the project came from the proceeds of the film business. The airplane which they operate from their own 2200 foot federally approved airstrip, makes it possible to travel to Boston and New York in time not much longer than the drive to Plattsburgh. His clients, business associates, and consultants have found no major inconvenience in his location. With the availability of his own aircraft, he finds it convenient to pick up and send materials, equipment, and people from Burlington or Boston. Daily access to UPS and Federal Express has added to the convenience of shipping and receiving items over long distance. The only problem he has faced with his air transportation system is the uneasiness of one of his neighbors who moved here much more recently than the Richters and would prefer not to have air traffic infringing on the peaceful surroundings.

Richter Cine Equipment has neither sought nor received much financial assistance from New York State or local development authorities. The availability of such incentives has not been important in its location decision. The only incentives Richter has received from the State are the training cost rebates from JDA and OJT. The company produces the equipment by employing local labor which is then trained for the specific skill requirements. Though JDA incentives cover the cost of training workers, the company has found it difficult to keep the skilled workers and has lost some of them to IBM in Vermont. Ken Richter`s biggest problem and business hindrance is the complexity of New York State's tax laws. The structure is so complex that he estimates that three 60 hour work weeks a year are lost to comply with the tax work and to fill 18 different forms required by the State. This is time which he would rather use productively, creating products and inventions. It used to be that the State's taxes were a certain percentage of the federal taxes. Now it has become exceedingly complex and capricious, forcing businesses to review and reevaluate their future plans in New York State. Richter's is currently conducting such a re-evaluation.

Ken Richter feels that the company is at a point where they have to expand personnel management. They have recently arranged to hire an MBA from Stanford who will divide his time between Essex (New York), and the West Coast. Such commuting does not pose a problem as far as the Richter Cine Equipment, Inc., is concerned. They see their location in Northern New York as more positive than negative.

Company Name and Address: ComSec Ventures, Inc.
Crestview Plaza
Saranac Avenue
Lake Placid, NY 12946

Owner's Name: Lee Boyland

Place of Birth: Syracuse, NY

Education: Syracuse University

Type of Business: Servicing

Time in Business: 4 years

Growth of Assets: 15 percent

Employment: **Initially:** 2 **Presently:** 6

Growth of Sales: 25 percent

Most important reasons for starting business:

To do something new

Freedom to do as I please

Good organizational ability

Sense of what will sell

Most important factor(s) for success:

Uniqueness of product

New markets

Unsatisfied demand

Unique customer service

Commitment to succeed

Hard work

Most important reason for locating in NYS:

Wanted to live in Lake Placid

ComSec Ventures, Inc., Lake Placid, NY (Essex)

During the summer of 1982, Lee Boyland lost his job at American Management Association as a result of that company's cutbacks. Instead of sulking, though, the Lake Placid resident went to work finding a new career. With his experience in high technology communications, Lee felt that he was qualified to run his own business.

To find out just what his business would provide, he sent a questionnaire to 40 local residents/businesses asking what services they would like and whether similar available services were satisfactory. He got responses from almost half of his contacts and, by piecing together the information, formulated the idea of ComSec Ventures, Inc.

ComSec is a Communications and Security service company which sells and maintains fire and security systems. Although the idea began as simply fire/security systems and a site security patrol, it has changed drastically in the last four years. An initial partner, Bob Schueeman, a retired State Trooper and commander of Troop B led the security patrols and provided half of the start up capital. The business only needed $9000 to open so Lee and Bob each contributed half in the form of a $4500 stock issue. That issue has never had to be raised. Another major factor in the initial success of ComSec is that both Bob and Lee's families had another income on which the families could survive. That way, during those crucial first six months, both men could work the required long hours but not claim a salary which would have stripped the company of much-needed investment capital.

After a year, Bob left the business. Lee took what he had learned from Bob about the security side of the business and started thinking about possible applications of the two halves of the business. Why not develop one customer-installable, UPS deliverable that would provide a number of services to the customer? That's exactly what he did. Lee created a five function security system that, in addition to an automatic fire reporting system, provided a low temperature warning, a medical alert service, a police panic button, and a commercial power loss detector. The result was ComSec's Emergency Responder III (ERIII).

His product is currently distributed by independent sales agents in 14 different states. The system works by signalling a central station when there is a problem, via regular phone lines. This allows Lee to market nationally. With so much going for him, what does Lee Borland strive for in the future?

He hopes that if he can get maybe 1000 customers, he can open a central station right here in the North Country. That would provide monitoring service 24 hours a day, 365 days a year. The added local employment, he feels, would be a start at leveling off the highly seasonal nature of this resort area.

Lee has some suggestions for anyone who is considering going into business. First, you need three advisors. One, a CPA who can help set up your accounts. Two, a business consultant, who can take a lot of the guesswork out of starting your company. Three, a good
attorney, he can help sort out the legal papers, contracts, incorporation, and patenting.

Secondly, Lee claims, "it is important to be patient." The start up is going to be slow and you can't rush it. A good company has to be "built on a solid foundation." Never forget detail. Even the smallest item may make the biggest difference. In his case, it was the color of a pamphlet. So many decisions have to be made that you get very good at

making them quickly and effectively.

Third, use the available assistance from local and state authorities. Lee was able to hire and train additional employees under the New York State Employee Training Program, where the state pays half of the employee's salary during an initial training period. Also, the Technical Assistance Center at SUNY Plattsburgh, and the Adirondack Economic Development Corporation in Saranac Lake provide valuable help to new businesses.

Most importantly, don't give up. Success takes time. Dedication to your product, assuming you have targeted the right market, can make all the difference between becoming a successful entrepreneur and becoming unemployed. Even after five years, Lee still spends 12 hours a day in the office and endless hours at home doing paperwork and making sales calls, etc. But, as he puts it, opening a business requires "an excessive amount of energy and stick-to-it-iveness."

Company Name and Address: OWD, Inc.
100 Demars Boulevard
Tupper Lake, NY 12986

Owner's Name: Roger Sullivan

Place of Birth: Chicopee, MA

Education: Northeastern University

Type of Business: Manufacturing/Plastic cutlery

Time in Business: 22 years

Growth of Assets: 25 percent

Employment: **Initially:** 13 **Presently:** 105

Growth of Sales: 30 percent

Most important reasons for starting business:

Forced to do so

Most important factor(s) for success:

Uniqueness of production process

Commitment to succeed

Hard work

Most important reason for locating in NYS:

Low electric and industrial power rates

OWD, Inc., Tupper Lake , NY (Franklin)

Studies on entrepreneurship strongly suggest that, given the opportunity, some people will respond to the market situation and take the necessary risk for profit. The story of OWD Inc., points in the same direction.

Oval Wood Dish was in the business of producing plates, spoons, forks and other product lines from wood. The company was losing money and going under when Roger Sullivan, a sales manager at Oval Wood Dish at the time, decided to take over the business. Along with a partner, Adam Palmer, a local attorney, Roger bought the company under the name of OWD. They decided to retain the wooden spoon product line and make it their specialty. The new OWD company is located in the same building occupied by the old Oval Wood Dish, which still exists as a business entity holding land in the Tupper Lake area and the rest of the state. Since the takeover, OWD has expanded. It is presently owned and controlled by the Sullivan family.

Roger Sullivan was born in Chicopee, Mass. After graduating from Northeastern University, he went into sales and for some time represented Oval Wood Dish products in that area. From there, he worked for the company in Tupper Lake and rose to the position of Sales Manager which he held until the time of his takeover. In the 22 years since OWD came into existence, the company has become a visible force in the Tupper Lake region by adding to the community's income, employment and taxes. From the original wooden products, the company has moved into manufacturing a whole range of plastic cutlery under the brand name of Lady Dianne Plasticware. In the past five years alone, its sales have grown at an average rate of 30 percent with assets growing by 25 percent. Three years ago, the company modernized its equipment by investing $2 million. Its total assets today stand well above the $2 million mark.

Roger claims that he was forced to take over the company because a lot of people would have lost their jobs. But his decision was also based upon his ability to detect new and upcoming market opportunities and a good sense of what would sell. He considers himself good in doing new things and being his own boss. Along with his good organizational ability, these personality traits have helped him to make his company an extremely successful one in the region. Roger feels that he has achieved his aspirations since starting his business. Hard work and the commitment to succeed have been the most important reasons for his success in the business, though he also considers himself lucky to have received the opportunity through a set of circumstances which came at just the right time.

Among the other factors contributing to his success, Roger considers the uniqueness of his production process as the most important one. Uniqueness of packaging, along with the uniqueness of the marketing strategy, advertising, the creation of a potential market, quality of customer service, as well as the uniqueness of this product have all been important to the company's success at one time or another.

Because of the way the business came into existence, Roger made no feasibility study to locate in this area. But in view of the expansion of the business over the years, it seems that the location in Tupper Lake has been favorable. In fact, the low electric and industrial power rates in the area are especially advantageous to OWD. The company has also benefitted from the trainable labor pool available in the area, as well as from the New York State incentive programs. While the company would have located in the area irrespective of state or local incentives, it has received some benefits from such incentives. It has collected job training rebates from the Job Development Authority, and rebates from

the State Franchise Tax. More recently, it received $2 million to finance equipment purchases through the Industrial Revenue Bond. Other than these incentives, OWD has financed its start-up and the expansion through private funds, retained earnings and bank borrowing.

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Company Name and Address: Tupper Lake Veneer
Tupper Lake, NY 12986

Owners' Names: Robert Bigelow
Henry M. Carris

Place of Birth: Newport, VT

Education: Middlebury College

Type of Business: Manufacturing Hardwood Veneer

Time in Business: 15 years

Growth of Assets: 10 percent

Employment: **Initially:** 40 **Presently:** 100

Growth of Sales: 10 percent

Most important reasons for starting business:

Needed a veneer supply

Most important factor(s) for success:

Uniqueness of available products

Unsatisfied demand

Most important reason for locating in NYS:

Availability of important raw materials

Tupper Lake Veneer, Tupper Lake, NY (Franklin)

The Adirondack Region of ANCA has been blessed with natural resources which have been the backbone of its economic activity. The mountains and the evergreens provide not only the natural beauty that brings tourists, but also lumber that has been the area's mainstay in attracting businesses to the area. Tupper Lake Veneer fit that pattern by locating here 15 years ago. On the average, the company's sales and assets have grown ten percent a year, with assets now valued between one to two million dollars. It currently employs 100 full- time people, having grown from 40 initially.

The company started in a local veneer mill that had closed down. When Robert Bigelow and his partner were looking around for a veneer supply near their operations in Vermont, the attraction of the mill and the availability of labor with the necessary skills fitted well with their overall objectives. The company manufactures hardwood veneers for which there exists an unsatisfied demand. The availability of the raw material in the North Country area, which could have been shipped long distance at considerable transportation cost, necessitated the opening of operations in Tupper Lake. The proximity of Vermont and Robert's main operations made it easier to commute, communicate and manage the Tupper Lake operations effectively at a relatively low cost. The company also benefitted from New York State's job development assistance program, though it did not play a major part in the decision to locate in Tupper Lake. In fact, the company would have come into existence without such incentives.

Though Robert Bigelow does not come from a business family, he believes hard work and the commitment to succeed are essential to business success. He is favorably impressed by the community's attitude toward business. The owners financed the Tupper Lake operations themselves using very little of the local banks' services. The partners are satisfied with the business and, at present, do not plan to expand it further.

Company Name and Address: Bionique Laboratories, Inc.
Saranac Lake, NY 12983

Owner's Name: Michael Gabridge

Place of Birth: Detroit, MI

Education: University of Michigan

Type of Business: Biotech Research and Development

Time in Business: 5 years

Growth of Assets: 25 percent per year

Employment: **Initially:** 1 **Presently:** 8

Growth of Sales: >100 percent per year

Most important reasons for starting business:

Wanted to create something meaningful

Wanted to be own boss

Needed a mechanism to bring unique product ideas to the public

Most important factor(s) for success:

Uniqueness of the product and product design

New marketing strategy

Uniqueness of customer service

Commitment to succeed

Hard work

Most important reason for locating in NYS:

Natural beauty of the area

Bionique Laboratories, Inc., Saranac Lake, NY (Franklin)

Michael Gabridge did not stumble onto the North Country as the location for Bionique Laboratories. He was already here working as a scientist at another institution when he got the idea of creating a biotech company.

As a research company, Bionique's main product is information, so the relative isolation and transportation problems of the North Country were not going to impede on the national and international client base. Also, there are two other biomedical facilities in the Saranac Lake area which add to the intellectual environment required for meaningful scientific development. According to Michael, "given the remarkable serenity and beauty of the area," he decided to set up business in the Adirondacks.

To start the business, Michael used his personal savings as the financial base. In addition, he sold stock to family and friends and qualified for loans from a local bank. When it came time to expand the business a few years later, Michael went to the local EDA (Economic Development Authority). Armed with the necessary funding, Bionique took off.

Another big part of Bionique's success is due to the patience and persistance of its founder. Michael had the confidence to stick with his idea and force it to grow in an area where there is no local market. Maintaining contact with a national and international market can be difficult at best, and when you are trying to get a new enterprise underway, it becomes all but impossible. But Michael is quick to point out that his talented employees have as much to do with his success as anything he has done. Without a competent staff, all the dedication in the world is not going to allow growth.

Some of his biggest difficulties? Well, "we need more local funding like the low interest loans and equity placements made by other regions," Michael claims. Regulatory requirements are also a little too excessive, he feels.

More specificially to Bionique, Michael faced lending institutions that "did not fully comprehend the nature of the business." The time he spend recruiting talented employees, although well worth it, might have been spent tending to other details of the business. And once he found employees, finding housing in the area for them was difficult. "There is a notable lack of good housing," Michael adds.

And what advice does the founder and President of Bionique Laboratories offer the interested entrepreneur? First, unless you can do ten things at once, "don't even think about being an entrepreneur." Major risks are also an inherent part of business startup along with a dedication that equates to "near-fanatical single-mindedness." This puts a strain on the entrepreneur's personal life.

A solid business plan and plenty of capital (as much as twice what you expect) are essential cornerstones of a new business. And, like so many of the other entrepreneurs in our study, Michael urges getting help from someone who knows that they're doing. "Don't do it alone," he warns.

Company Name and Address: Nelson A. Taylor Co., Inc.
10 West Ninth Avenue
Gloversville, NY 12078

Owner's Name: Willard H. Taylor

Place of Birth: Gloversville, NY

Education: Union College

Type of Business: Manufacturing Marine supplies

Time in Business: 78 years

Growth of Assets: ---

Employment: **Initially:** 2 **Presently:** 400

Growth of Sales: 125 percent

Most important reasons for starting business:

Personal drive for accomplishment

Most important factor(s) for success:

Uniqueness of product and product design

Creation of new potential markets

Uniqueness of distribution

Unsatisfied demand

Uniqueness of customer service

Sheer luck

Commitment to succeed

Hard work

Most important reason for locating in NYS:

Access to banking and finance resources

N.A. Taylor Co., Inc., Gloversville, NY (Fulton)

The story of "Taylor Made," though different in some respects from the other success stories included here, is still a part of the larger story of the ANCA region and its strength in attracting and nurturing businesses for development. The company is not a new enterprise but it is still a growing business, which has been the focus of this study. It is 78 years old, well established and has a track record of designing and innovating new products. It is a family business and the current chairman, Mr. Willard (Bill) Taylor took over the operations in 1946. But its origin is well entrenched in the Adirondack saga of producing products that were demanded by the region and the tourists that came here. During the early period, the company produced products such as folding tops for touring cars and roadsters, awnings for many of the region's resorts and summer homes, and tents and camping equipment for the campers who came to the Adirondacks every summer.

Bill Taylor was born and raised in Gloversville. After graduating from Union College in Schenectady, he joined the family business, N.A. Taylor Company, in 1945. Since then, he has been responsible for changes in the company by introducing new products, and expanding and diversifying the business. In the past five years, the company's sales have grown by approximately 125 percent with assets well over $2 million and employing over 400 people. As of 1985, N.A. Taylor operated four plants in Gloversville (New York), Indiana, Florida and Ohio. It owns Adirondack Components, a custom roto molding division, which serves as a subcontractor for the manufacture of molded components and products. In 1977, Taylor established its Marine Air Systems, which specialized in air conditioning equipment for pleasure boats. A new company, Sealand Technology, Inc., was added in 1985 which brought Taylor into manufacturing sanitary plumbing equipment for marine and recreational vehicles. This latest acquisition gave the Taylor Company Incorporated a wide range of products and accessories to service the marine and recreational vehicle market. Among the products included are tempered safety glass windshields, boat covers, convertible tops, bow and stern lights, spotlights, fenders, air conditioning equipment, and sanitary plumbing. The company has developed a unique expertise in offering the right products to meet current demand and looking ahead to develop new products to meet tomorrow's needs.

Though N.A. Taylor Company Inc. located in the ANCA region without having made any detailed location study, its presence and expansion attests to the region's attractiveness to other businesses. The company considers the access to banking and financial resources important to its success. It also views the availability of skilled labor and the positive attitude of the community towards business as important strengths. The company is always ahead of the competition and considers its customer service, distribution facilities, and product design unique. In fact, the company was among the pioneers when it printed its first marine catalogue in 1948, devoted exclusively to Taylor-Made outboard boat covers.

The phenomenal success of Taylor Made is because of the entrepeneurial drive of "the man at the helm," Bill Taylor, who has been dedicated to developing more and better "Taylor Made" products for boating since 1946. He is innovative, and aggressive toward accomplishments. He possesses a good sense of what will sell and is willing to take risks for profits. Bill considers himself sensitive to his associates' and employees' needs. However, he thinks that his poor organizational ability and occasional complacency are his biggest hindrances in the business. But in light of the Taylor Made record, that is hard to believe. The company has a strong foothold in the region which makes it Fulton County's best advertisement for attracting new businesses.

Name and address of Company: Wilt Industries, Inc.
Route 8
Lake Pleasant, NY 12108

Owners Name: Daniel Wilt

Place of Birth: Albany, NY

Education: RPI

Type of Business: Manufacturing - Lapping Machines/Wet Belt Sanders/Diamond Abrasive. Belts/Glass and Quartz Annealing ovens

Time in Business: 37 years

Growth of Assets: 20 percent

Employment: **Initially:** 7 **Presently:** 12

Growth of Sales: 35 percent

Most important reasons for starting business: Family business

Most important factor(s) for success:

Uniqueness of the product

Uniqueness of product design

Creation of a new market

Hard work

Commitment to succeed

Most important reason for locating in NYS:

Location of the area

Wilt Industries, Inc., Lake Pleasant, NY (Hamilton)

For Daniel Wilt, continuing the family's manufacturing business was expected. Wilt Industries has been the family occupation since 1950 with products in the glass field including annealing ovens, lapping machines, wet belt sanders, and diamond abrasive belts. In the last five years, this Lake Pleasant business has been growing steadily, with a 35 percent growth of sales and a 20 percent increase in assets.

According to Dan, the development and use of semi-conductors has been a key element in Wilt Industries' recent growth. Other important factors include the uniqueness of their product, a unique product design, the development of new markets, and Dan's sense of what will sell. The lack of competition, a great deal of hard work and a commitment to succeed also played an essential part.

Dan has done very well in his business. He has not only expanded the business at its current location, but he has also opened branches in other areas as well. He has been successful in achieving his business aspirations. He attributes the success of his business to: uniqueness of customer service, determination to succeed, and to hard work.

Despite the success of Wilt Industries, Dan has a few suggestions that would help make the area more attractive to new business development. The principle problem concerns the need for a business incentive program. This program, in conjunction with an effective IDA (Industrial Development Agency) would create a more receptive economic attitude for beginning entrepreneurs. It is crucial, however, for the IDA to "work with new business, not use them for their [IDA's] own identity reasons," according to Dan. "The present Washington/Warren County IDA," Dan further claims, "has not been helpful and . . . they have even hindered the progress of my business."

For new entrepreneurs, Dan also offers some advice. First, consider problems that may arise with local officials and, second, be aware of the possible problems that may come with new employees. Keeping these things in mind, and the willingness to dedicate a great deal of time and energy to a new company are the key ingredients to success.

Company Name and Address: Tumble Forms, Inc.
P.O. Box 266
Dolgeville, NY 13329

Owner's Name: Timothy Bergeron (Manager)

Place of Birth: Nashua, NH

Education: Rhode Island School of Design

Type of Business: Manufacturing Molded cushions

Time in Business: 13 years

Growth of Assets: ---

Employment: **Initially:** --- **Presently:** 36

Growth of Sales: ---

Most important reasons for starting business:

Wanted to be his own boss

Most important factor(s) for success:

Uniqueness of product and production process

Creation of new potential markets

Existence of an unsatisfied demand

Absence of competition

Commitment to succeed

Hard work

Most important reason for locating in NYS:

Already settled in school and home

Born and raised in the area

Tumble Forms, Inc., Dolgeville, NY (Herkimer)

Today, Tumble Forms is owned by J.A. Preston Corporation of New Jersey, which is a world-wide network of mail-order and catalogue businesses. But the company, which was started about 16 years ago, is the dream of Timothy Bergeron, currently President and manager of Tumble Forms for J.A. Preston. The company designs and manufactures molded cushions used in the treatment of neurologically impaired children and adolescents. The forms are made of firm density urethane foam which retains its shape and combines therapeutic design, colorful child appeal, and a unique manufacturing concept. Keeping in mind the nature of the users, Tumble Forms have urine proof, stain resistant, non-slip surfaces. They are non-toxic, fire retardant, durable, and easily cleaned. Tumble Forms are designed to help the handicapped children position themselves. The company employs 36 people and has assets worth $1 million.

Timothy Bergeron, a native of New Hampshire, came to Herkimer County in connection with a job as an industrial engineer. He was responsible for product development of the sporting goods in the Adirondack Industry. He stayed on the job for five years while he continued to develop the process to produce play-objects for the handicapped. The whole idea came to him when he started working on his senior thesis for his degree in industrial design from Rhode Island School of Design. For his thesis, he had assembled several industrial products and packaging materials. Luckily, his wife, who is an occupational therapist, was very helpful and instrumental in the design and eventual production of these play-objects. Since he was already settled in the area and his children were going to area schools, Timothy started his business in the North Country. He loves the area, its location, the availability of trainable labor, and the community's positive attitude toward business.

Both Tim and his wife come from small families, and his parents still own a retail clothing business. Tim has a very independent personality and, ever since he can remember, he wanted to open his own business and be his own boss. He has always wanted to do something new since he can detect new and upcoming market opportunities. His strong desire to fulfill the potential market's need has served him well. He is among the pioneers to develop products for handicapped people.

Besides fulfilling the potential market demand, which was mostly unsatisfied at the time, Tim attributes his success to the uniqueness of the product and the product design. The absence of competition also helped. But, above all, his commitment to succeed and hard work has paid off. Though he developed the process himself while working for someone else, his biggest problem was finding an outsider to manufacture the products. He solved that problem by going into the manufacturing business himself, which he financed through his own capital and by using his personal assets as collateral. Between 1973 and 1978, he expanded the business. The expansion was financed partially by selling stocks to friends and family. The remainder of the investment came from an SBA loan. By 1978, when further expansion could not be financed through traditional means, he sold 100 percent of his stock to J.A. Preston, but remained in full control of running the business. He admits that with little training in running a business and no knowledge of cash flow or a balance sheet, when the business started growing so fast, he could not figure out how to finance the growth through alternate sources and, therefore, sold the business to outsiders. In his present capacity as President, he is pleased that J.A. Preston has left him free to manage the business to his own liking.

Tim Bergeron is satisfied with the state efforts to attract new businesses. He has received incentives from both New York State and the Mohawk Valley Economic

Development Corporation. Most of these incentives have come in the form of property tax rebates, JDA rebates, and lower interest rates for loans. However, Tim cautions, the state overspends on unemployment compensation which provides no benefits to the state government. Similarly, local building codes and the regulations of the Environmental Conservation Department take up time and money which could have otherwise been spent on running and promoting his business. State personal taxes and corporate taxes are detrimental to the business climate in New York State.

Company Name and Address: BSI Industries, Inc.
P.O. Box 37
Watertown, NY 13601

Owner's Name: Thomas Neroda

Place of Birth: Painseville, OH

Education: Cleveland State University

Type of Business: Assembly of Programmable Positioning Systems

Time in Business: 2 1/2 years

Growth of Assets: 0 - $150,000 in past 2 years

Employment: **Initially:** 1 **Presently:** 6

Growth of Sales: 0 - $200,000 in past 2 years

Most important reasons for starting business:

Wanted to develop something new

Most important factor(s) for success:

Uniqueness of product

Commitment to succeed

Most important reason for locating in NYS:

Access to banking and finance resources

Special incentives by NYS and community

Community's attitude toward business

Desire to remain in the area

BSI Industries, Inc., Watertown, NY (Jefferson)

Contrary to the common impression about northern New York as a relatively unsophisticated rural area, it was surprising to find a real "high-tech" company located in the region. BSI Industries, a three-year-old business, assembles Programmable Positioning Systems, whose market is nation- wide. For Thomas Neroda and his partners, the decision to locate in the North Country was a combination of personal preferences, sufficient technical resources and the availability of funds, especially for capital goods. The company was founded in November 1983 to develop, manufacture, and market motion control systems to effectively inspect microelectronic components at a low cost.

President Thomas Neroda was born and raised in Ohio. His father owned his own well drilling business. After graduating with an Electrical Engineering degree from Cleveland State University, Tom worked for about 15 years in the field before acquiring the exclusive rights to produce a microprocessor-based programmable positioning system for Modular Systems Development of Los Gatos, California. The prototype was structurally redesigned and production commenced in Watertown, New York, in 1984. Since a major concentration of potential customers was located in Northern California, a marketing and sales office was opened there. Efforts to expand the market have included participation in trade shows, on-site demonstrations and contacting manufacturers' reps. A second line of product, the Programmable Automatic Dispensing System, was introduced in September 1985, which has greatly expanded the market for BSI Basic Control Systems. Since the company's products are subject to the major capital and investment decisions of their customers, BSI's business is highly cyclical although the long term market forecasts for its products are extremely optimistic.

After working for a number of years for others, Tom says the major reasons to start his business in the ANCA region were his attraction to the area and his hesitancy to relocate. In spite of the many difficulties he experienced with the start-up of BSI, he credits his success to hard work and a commitment to succeed. He mentions his ability to detect new and upcoming markets, a good organizational ability and his liking for doing something new as important reasons to start BSI. He is satisfied with his decision and believes he has achieved his aspiration in starting his business. The success of the business is attributed to the uniqueness of the product, product design, the existence of an unsatisfied demand, and the tremendous potential for the market growth.

In spite of the fact that BSI was founded here because of Tom's decision to stay in the area, New York State and the North Country have not proved to be an ideal location. Finding sources of significant equity capital in the North Country, especially for high- tech start-up companies with high risk has continued to be a problem. The area, with its limited base in product manufacturing, lacks the supporting infrastructure generally found in more developed regions. The banks and the other financial institutions are not accustomed to working with companies such as BSI, whose needs are predominantly operating funds rather than investment funds. Funds to invest in capital equipment did appear through the New York State Science and Technology Foundation and Key Venture Capital Corporation.

Tom credits the community's attitude toward business as positive and important. After being in the business for nearly four years, he is still optimistic and does not consider the factors of starting a new business or the problems encountered with the early stages of start-up as different in northern New York than in any other area. The start-up of a high-tech company here is rare, but the difficulties are not insurmountable. Adjustments have to be made. Tom suggests that new companies interested in locating in the region be ready to

experience typical problems with delay in market development, cash flow, and sales methods. All of these are not regional but typical. However, the ANCA region must be more competitive and willing to adjust to attract new businesses than other areas where there is a natural flow of business and industry.

Company Name and Address: Schultz's Fastidious Foods
North Main Street
Croghan, NY 13327

Owner's Name: Norman C. Schultz

Place of Birth: Naumburg, NY

Education: University of Minnesota

Type of Business: Restaurant

Time in Business: 15 years

Growth of Assets: 7 percent

Employment: **Initially:** 2 **Presently:** 20

Growth of Sales: 10 percent

Most important reasons for starting business:

Always wanted to own something

Most important factor(s) for success:

Uniqueness of marketing strategy

Uniqueness of advertising

Commitment to succeed

Hard work

Loyal, involved wife and manager

Most important reason for locating in NYS:

Community's attitude toward business

Schultz's Fastidious Foods, Croghan, NY (Lewis)

Norman C. Schultz was born and raised in Naumburg (Lewis County). After receiving his Masters degree from the University of Minnesota, he worked as a school teacher in Rochester, and Beaver Falls for many years. Across the street from his house in Croghan was a two-car garage where, one summer, he opened an ice cream stand. That first year the stand yielded enough profits to encourage Norman to reopen it the next summer. After seeing the market and operating in this fashion for five years, Norman decided to expand his business by opening a full-fledged restaurant. He kept up the pace of activity for five summers after which he quit teaching school to concentrate on the restaurant business. In the ten years since, his business has expanded both in space and volume. Currently, he employs 20 people, mostly part-timers and his sales have grown by an average of 10 percent per year over the past 9 years. The business holds between $200,000-$300,000 in assets which have also grown at an average rate of 7 percent per annum in the last five years. Over the past 15 years, Schultz has produced over seven hundred thousand dollars in local payroll and has contributed to various local civic endeavors.

The success of the business is attributed to the uniqueness of the marketing strategy and the restaurant decor. The marketing strategy for the restaurant was to make it half-way between a fast food joint and a family restaurant. It provides the advantages of home cooked meals and a fast food menu to keep it manageable. The present menu is one of the most all-inclusive in the fast food industry and features several varieties of Bavarian style food along with daily specials, seafood, breakfast, and a salad bar. The restaurant can currently seat 85 people and 40 additional people on the back patio with an excellent view of Beaver River and Croghan Island Mill. Norman credits the growth and the expansion of his business to his excellent location in Lewis County, and the patronage and the moral support of the good people of the county. The location of the restaurant satisfied a potential market in the area. He also credits employee loyalty and the involvement of his wife and his manager for the success of his business.

Norman and his wife come from large families. They are both outgoing and enjoy meeting people. He is used to hard work and putting in a lot of time required for the business in its initial stages. Detecting new and upcoming opportunities and what will sell in the marketplace, has been an important aspect of the business. This is evident from the unique combination of fast food (American style) and foreign food (Bavarian, Italian, etc.) in a family atmosphere. Among the most important reasons for opening the business, Norman cites his wanting to own his own business and being his own boss. At this point, he is satisfied to have achieved his aspirations.

The fact that Norman came from this area is important for the initial location of the business in Lewis County, a very scenic part of New York State. However, he considers the positive attitude of the community toward businesses as a very important factor. The access to the banking and financial resources which loaned him the initial capital funding made it possible to open the business. Besides borrowing from the bank, he borrowed from his family and friends, and
stretched his own assets to the limit to realize his aspirations. Part of his reluctance to seek any financial or tax incentives from governmental agencies is due to the strings attached to such incentives. For example, to qualify for Job Development Authority incentives, Norman would have to hire the kind of people recommended by JDA. Even though he hires his employees from the area, and is extremely satisfied with the labor pool, the JDA attachment would have restricted him in his hiring and staffing choices.

Company Name and Address: Beverly Distributing Corp.
255 Genesee Street
Utica, NY 13501

Owner's Name: Beverly A. Margolis

Place of Birth: Buffalo, NY

Education: University of Buffalo

Type of Business: Warehousing-Wholesaling/ Housewares

Time in Business: 5 years

Growth of Assets: 30 percent

Employment: **Initially:** 1 **Presently:** 12

Growth of Sales: 400 percent (over 5 years)

Most important reasons for starting business:

Unsatisfied demand

Most important factor(s) for success:

Uniqueness of product and production process

Creation of a new potential market

Uniqueness of the marketing strategy

Uniqueness of packaging

Uniqueness of advertising, displays

Absence of competition

Uniqueness of customer service

Commitment to succeed

Hard work

Most important reason for locating in NYS:

This was home

Beverly Distributing Corporation, Utica, NY (Oneida)

When Beverly Margolis began her business in 1981, it was because she had identified the market for model kitchens and the need to service it. From her experience as a teacher of courses on cooking, she knew first-hand the problem of finding all housewares at one place. In fact, according to her, 40-50 different stores have to be visited in order to fully equip a gourmet kitchen. She also realized that the increasing popularity of gourmet cooking would further expand that market. During her first trip to a trade show in Chicago, she secured orders for a model kitchens which started her off to a good business. Today, Beverly Distributing Company designs model kitchens for time-sharing properties, Contractor Showing and rental businesses; and has diversified into designing drapes, linen, blankets, bedsheets, and other accessories for other rooms of the house.

Since 1981, Beverly Distributing Corporation has surpassed the wild imagination of its founder and owner. Her sales have grown 400 percent in the past 5 years, standing between $1-2 million. The company has relocated to larger premises and currently employs 12 full time people. Beverly expects her sales to increase to $10-20 million and for that she needs to finance an expansion. Among other plans for the future, the company will be required to open a second distribution center west of the Rockies in view of the scope of its sales in the U.S. and Canada.

To appreciate the success of this business, one has to know Beverly Margolis. The only child of an immigrant father who came to the United States in 1926, she received an MS from the University of Buffalo. After her marriage to a dentist, she raised two children, and both have become successful lawyers. Since opening her business in 1981, Beverly has been active in civic and business affairs in Utica and has received a number of awards and much recognition. She was named the 1985 Employer of the Year, Small Business Person of the Year, Entrepreneur in National Womens Hall of Fame, and Entrepreneur of the Century. She has also represented Utica-Rome and the State of New York as a delegate to the White House Conference on Small Business. Beverly admits to being a workaholic and has a strong commitment to succeed. She believes her success is based on a single rule which she has often taught in her cooking school--stress the basics, but don't inhibit the free spirit.

Mrs. Margolis views the existence of a potential market and the need to service that market as important factors for the success of Beverly Distributing Company. She has the uncanny ability to detect new and upcoming markets and a good sense of what will sell. She considers herself goal-oriented and has a desire to do something new. But the success of the business could not have come without her organizational ability, hard work, and commitment to succeed. The absence of competition, uniqueness of the product, production process and the quality of customer service have all provided the necessary ingredients for a successful story.

The success has neither been costless or painless. She has already put in $250,000 of her own and her family's money. Bank borrowing, with and without collateral, as well as public borrowing under Article 504 of Securities and Exchange Commission have provided the capital up to this time and have helped finance the expansion. She has not dealt with any of the state, local, or industrial development agencies for any of their incentives, though she is well aware of the state regulation to give low interest loans to women and minorities. The only incentive she has received is the certification from New York State to declare Beverly Distributing Corporation as a minority held business which can help it to sell to the state agencies on a preferential basis.

Though Beverly did not locate in the area as a result of a careful market and locational analysis, she is extremely satisfied with Utica and Oneida County as a place to do business. The area, with its inexpensive and plentiful labor, good access to transportation, low warehousing cost, cannot be anything else but good.

Company Name and Address: Northern Aggregates, Inc.
Fulton, NY 13069

Owner's Name: Thomas Venezia

Place of Birth: Syracuse, NY

Education:

Type of Business: Service/Contracting

Time in Business: 25 years

Growth of Assets: $75,000 per year

Employment: **Initially:** 6 **Presently:** 75

Growth of Sales:

Most important reasons for starting business:

Family business

Most important factor(s) for success:

Desire to be own boss

Emerging new markets

Good organizational ability

Having a good mind for doing something new

Taking risks for profits

Hard work

Most important reason for locating in NYS:

Availability of raw materials

Northern Aggregates, Inc., Fulton, NY (Oswego)

Oswego County is known for its long, snowy and cold winters which many consider as a single most important factor inhibiting business location. Yet its proximity to the manufacturing belt that passes through Syracuse is definitely an advantage which seems to have attracted many companies to locate in the area. With the decline of the manufacturing sector in New York State since 1970, it has become more difficult to balance the asset/liability of good location in the county. However, our story on Northern Aggregates seems to point to the importance of raw material and other factors in attracting a certain type of manufacturing operations--ready mix concrete blocks, black top, etc.

Northern Aggregates belongs to a family of business entities going back to 1960 when the parent corporation was established by Mr. Thomas Venezia. Tom's parents had moved to Fulton from Syracuse in the 1930's when he was a child. His father opened the black top paving business in Fulton and it was there that Tom first got the feel of the business which he would enter later in life. After working for his father for some time, Tom left to join his grandfather's business in ready concrete mix. In 1960, he founded the parent corporation which established Northern Aggregates, Northern Concrete Blocks in 1969, and Northern Bituminous Corporation in 1972. All four companies at present are separate entities owned and controlled by Tom Venezia. The companies produce a range of products from black top to ready mix concrete and blocks, all of which are used in the construction business. The businesses have grown in the past 25 years to their current size with total assets over $2 million. The present work force is 75 people, up from 6 employed initially. Because of the nature of the business, only 30 percent of the present work force is full-time. The growth of the businesses is evident by the number of separate business entities established to service emerging new markets and by their relocation to larger premises. Tom credits his success to hard work and his commitment to succeed. In spite of the lack of competition, Tom considers providing good customer service as important to his business success.

In a study on successful entrepreneurs, it is as much important to learn about the reasons for starting businesses as it is to know of factors that made them successful. Though Tom lists factors such as his good organization ability, taking calculated risks for profits, possessing a good mind to doing something new, he, however, believes that his desire to own something and to be his own boss stand out in his mind as the crucial factors in his starting the business. He has worked hard to achieve his aspirations.

Tom has the ability to detect new and upcoming market opportunities. It is to his credit that with only $1,200 of his own savings with which he started the business, his companies now are in a position to self finance the growth by internal investment without outside borrowing. In fact, in the past two years, he has not only made no new borrowing, but has paid off all his previous debt with the result that the companies at present do not owe anything to outsiders.

Tom is extremely satisfied with the area as the location of his business. The proximity of the businesses to its sources of raw materials has been crucial to their success. The area's advantage in providing good labor, skilled as well as trainable, is important to businesses like Tom's. Over the years he has used some workers which has made Northern Aggregates eligible to receive some tax rebates. But that has not been a factor to the businesses overall operations. If at all, Tom is critical of the amount of paperwork involved in today's operations and one can speculate about the additional paperwork required to receive such benefits which may discourage many small businesses to do the same.

As for the future plans for his corporate empire, Tom likes to leave them as his legacy for his children, two of whom are currently involved in them. His fascination in maintaining his freedom which comes with wealth and power, probably gives him that choice.

Company Name and Address: The Bagelry
Market Street
Potsdam, NY 13676

Owner's Name: Eliot Rich

Place of Birth: Portland, ME

Education: University of Wisconsin

Type of Business: Manufacturing & Retail sales/Bagels

Time in Business: 4 years

Growth of Assets: ---

Employment: **Initially:** 6 **Presently:** 16

Growth of Sales: Approximately 10 percent a year

Most important reasons for starting business:

It was a way of catching up financially

Most important factor(s) for success:

Uniqueness of product and product design

Good value for the money

Creation of new potential market

Unsatisfied demand

Absence of competition

Commitment to succeed

Hard work

Most important reason for locating in NYS:

Location of the area

Access to banking and financial resources

The Bagelry, Potsdam, NY (St. Lawrence)

It has often been suggested that adversity can bring creativity in people. If successful entrepreneurs are not born, they can certainly respond to situations in a creative and constructive manner. People who succeed are those who face up to their problems and have the capacity to turn them around rather than feeling sorry for themselves and getting overpowered by the circumstances. In Eliot and Judy Rich's case, when circumstances forced them to change careers, they responded boldly. Four years ago, they opened a bagel business in Potsdam where not many people had heard of bagels, except for the college students who are transient customers. Yet today, the business is a visible and successful feature of the town, employing 16 people with assets between $100,000-$200,000.

Born and raised in Portland, Maine, Eliot Rich came to Potsdam with a Masters degree and substantial post graduate work from the University of Wisconsin. Working at a local college, Eliot, like many of his colleagues and friends, was the victim of the budgetary cuts that adversely affected academics with financial insecurity and lagging purchasing power. In 1982, at the age of 44, Eliot decided to change careers since he no longer felt there was a future in academia and he viewed business as a way of making up financially for the lost years in the academic world. With the support of his wife of 21 years, Eliot evaluated his options. For 11 years, they had lived in Potsdam and were familiar with the availability of goods and services, and the local market conditions. For many years they had been bringing back bagels for themselves and their friends. Why not start making bagels in Potsdam for wholesale and retail sales, and provide a nice alternative to the fast foods already available there? Four years later, their business is thriving, as evidenced by the growth of their assets and the increase in the number of employees.

Eliot credits their success to the uniqueness of the product, absence of competition and the existence of a potential market. Though the Richs' are hardworking and committed to success, neither the start-up of the business nor the present success has been without difficulties. From the beginning, they faced the problem of raising the start-up capital. In spite of the Rich's good business proposal; a considerable sum of money for down payment which they had borrowed from their respective families; and that they had done all their financial transactions at local bank, their loan was not approved by that bank. It took them several months to get the loan, and then only after they had tied up their home, car, and the stock certificates of Judy's brother as collateral. The lack of venture capital has continued to be a problem. Because of the under capitalization, they had to buy used equipment which has come to haunt them with constant repairs. The decision to locate in Potsdam as well as the location of the actual store in Potsdam has also posed problems. Though they were lucky to find a store which met their initial expectations, the design of the restaurant has proved to be a major hurdle during expansion. Similarly, the choice of Potsdam as a location has turned out to be a poor business decision because of its relatively rural and isolated nature, small population with large seasonal variation, and the long distance between adjacent towns. All of this could have been avoided and has been overcome, but only after a long haul of 20 hour days, seven days a week, and four years of constant struggle.

In spite of all this, the Rich's consider themselves lucky and successful. They have become thoroughly familiar with the business, think through, in advance, potential problems, and make good decisions. Eliot feels that he has achieved his aspirations of opening the business. To every aspiring entrepreneur they suggest the use of a "mentor," someone who is experienced and who can both anticipate your difficulties and help to resolve them. In light of their own experience, they strongly recommend new businesses to have sufficient capital to get through the start-up period and possible expansion.

Company Name and Address: Think Educational Software, Inc.
Potsdam, NY 13676

Owner's Name: Gregory Berkin

Place of Birth: Mt. Kisco, NY

Education: Spackenkill High School, Poughkeepsie

Type of Business: Computer software manufacturing

Time in Business: 4 years

Growth of Assets: $5,000 per year

Employment: **Initially:** 10 **Presently:** 4

Growth of Sales: 20 -30 percent per year

Most important reasons for starting business:

Wanted to be own boss

Wanted to own something

Liked to take risks for profits

Most important factor(s) for success:

Uniqueness of product and product design Creation of a new market potential

Uniqueness of packaging

Absence of competition

Hard work

Commitment to succeed

Timing - proper introduction with new machine

Most important reason for locating in NYS:

Access to banking and finance resources

Access to local talent and space

Think Educational Software, Inc., Potsdam, NY (St. Lawrence)

For Gregory Berkin, computers had been a household subject long before he even thought about what he was going to do when he grew up. Greg's father is an employee at IBM and, therefore, inevitably brought some aspects of his job into his Poughkeepsie home.

When Greg decided on Potsdam College for his education, it was because of the College's reputation for Computer Science. He loved working with computers so this was an obvious choice. But when he got to Potsdam, he found more than even he had dreamed about.

During the course of his studies, Greg created a software package that could be used as an elementary school instruction program. As the application of this package became recognized, there was only one thing for an energetic man like Greg to do, go into business.

Opening Think Educational Software, Inc., in Potsdam was another easy decision for Greg. The small town lifestyle, the academic environment (four colleges in a fifteen mile radius), and the technical support of the area made Potsdam an ideal location. For instance, he actively sought and received sound advice from the academia in the area.

Personally, Greg claims that wanting to be his own boss, wanting to do something new, taking risks for profits, and a fascination with wealth and power were his prime reasons for going into business. Of course, the unique product, intended for a rapidly growing market, were also instrumental in the decision.

In the last 2 1/2 years, Think Ed has been growing steadily with a growth of sales of almost 30 percent per year. Assets, too, have grown by $5000 per year. One of the methods Greg used to grow so rapidly was to use every available opportunity to spread word about his products. If someone he knew was going on a trip, Greg always made sure that they took some samples of the product and his business cards. This resulted in a solid national potential market by establishing a network of contacts.

There have been some hindrances, though, in Greg's "overnight success" story. The biggest of these drawbacks was a lack of investment capital. The area offers a variety of banking and finance resources, but these were unable or unwilling to assist Greg in opening his business.

Despite the problems, Greg has no reservations about recommending Potsdam, and the ANCA Region, to future entrepreneurs. The receptive nature of the communities to new business has more than overcome the financial hardships.

As a young entrepreneur of 25 years of age and with no experience in business, Greg provides a unique example of a success story. He has been successful because he was not afraid to put his ideas into action. He was persistent and worked long and hard to reach where he is today.

Company Name and Address: Hackett Hardware, Inc.
Ogdensburg, NY 13669

Owner's Name: Hackett Family

Place of Birth: Ogdensburg, NY

Education: Ogdensburg High School

Type of Business: Retail/Hardware Sales

Time in Business: 100 years

Growth of Assets: ---

Employment: **Initially:** 5 **Presently:** 50+

Growth of Sales: 200 percent

Most important reasons for starting business:

Family tradition

Most important factor(s) for success:

Unique product and product design

High level of retail service

Direct marketing

Unsatisfied demand

Uniqueness of customer service

Hard work

Commitment to succeed

Most important reason for locating in NYS:

Special NYS and local incentives

Hackett Hardware, Inc., Ogdensburg, NY (St. Lawrence)

Five generations of learning about retailing is the obvious reason why Hackett Hardware store in Ogdensburg has doubled their sales in the last five years, but the right combination of other factors is also responsible for its success.

Pat Hackett, Sr. and his brother, Edward, inherited the business from their father, who struggled to keep the Ogdensburg store in business during the depression and through the 1940s. It was during the fifties that Hackett Hardware really began to grow into its current dimensions. The St. Lawrence Seaway opened then, which began an economic "boom" in the Ogdensburg area.

Shortly after this, New York State initiated the Urban Renewal program. Under this program, Pat and Edward Hackett were able to expand their small store into a 16,000 square foot retail outlet, and expand their merchandise from traditional hardware to including clothing, stationery, and domestic goods.

An affiliation with Cotter & Company (True Value Hardware Stores) provided the Hacketts the purchasing power to "buy right for the first time," says Pat. The added purchasing power and expanded floor space were the major cause of doubled sales in only five years.

The Cotter affiliation also helped the Hacketts successfully survive the major expansions. "We had extraordinary advice and help from Cotter and Company," says Pat. They were able to help with all aspects of the enlarged business from layout and merchandising to the size, and restructuring personnel, of the actual store.

Even with all these factors in their favor, the Hacketts were faced with the same difficulty as many of the ANCA businesses: raising capital. A UDAG loan from the city of Ogdensburg helped in their efforts to expand, but sufficient funds were still not easily attained.

According to Pat, "expertise in a particular business can come through trade organizations," but raising capital is difficult even then.

A family dedication to a growing business, based on the Hacketts hardworking nature has combined with the experience of Cotter & Company to turn a small hardware store in downtown Ogdensburg into a 43,000 square foot market place for a wide assortment of household goods. By adding variety-type merchandise generally not associated with a conventional hardware store, the Hacketts have enjoyed a new trend in the hardware business. A visit to their store becomes a pleasant experience and makes one realize how different this hardware store is. According to Pat, "variety-type hardware stores seem to do very well in rural America." No wonder, Hackett's is enjoying a great success and is a pride of the Ogdensburg community.

Company Name and Address: Sunfeather Herbal Soap Company
Box 102A
Potsdam, NY 13676

Owner's Name: Sandy Maine

Place of Birth: Cheyenne, Wyoming

Education: SUNY Potsdam

Type of Business: Manufacturing/Herbal Soap

Time in Business: 6 years

Growth of Assets: ---

Employment: **Initially:** 1 **Presently:** 4

Growth of Sales: Double each year

Most important reasons for starting business:

Inspiration

Freedom of time

Most important factor(s) for success:

Uniqueness of the product

Uniqueness of the product design

Uniqueness of packaging

Hard work

Commitment

Most important reason for locating in NYS:

Already lived here

Liked the area because of its nice and beautiful surroundings

Sunfeather Herbal Soap Company, Potsdam, NY (St. Lawrence)

In 1980, Sandy Maine, a recent graduate from Potsdam College, opened the Sunfeather Soap Company "on a hunch." The new company would grow to produce an entire line of herbal soaps and fragrances, all handcrafted and made from natural ingredients. Sandy, a native of Chyenne, Wyoming, came to New York for college and decided to stay here because she liked the area.

Since Sunfeather opened, the Company has grown from 600 national outlets in 1983 to 2,000 in 1987, which carry her line of herbal soaps. Among her better known clients are the Smithsonian's Gift Shop in Washington, DC, the Trapp Family Lodge in Vermont, and Fanieul Hall in Boston, MA. In 1985, the Company was able to produce 20,000 pounds of soap. Today, the annual production capacity is over 40,000 pounds and the sales have doubled each year.

To Sandy, such a phenomenal growth in business was totally unexpected. She puts it this way: "Today I am amazed at how quickly this idea blossomed into substance. It moved suredly into my kitchen, gracefully into my basement, and reluctantly into my den and family room. Just before a total occupation of production equipment, barrels of oil and fats, bottles of herbal oils, jars of dried herbs, boxes, packing paper, catalogs, finished goods, paperwork, and several employees threatened to completely alter the meaning of the word 'home,' it suddenly occurred to me that perhaps my mail order business was large enough to leave the nest." Finally, she decided to move to a bigger and better location. Sandy has done all this with no family background in business or any kind of formal training in managing a business. But, she was not afraid to take risks.

Sandy's success to a large part is based on the uniqueness of the product (there are no equivalent products on the market), uniqueness of the product design, Sandy's own positive attitude. Her inspiration and continued hard work were primary factors in the creation of Sunfeather's niche in the market.

The handmade quality is also a strong reason for the continued growth of the Company. Every bar of soap and each order is packaged personally by one of Sunfeather's four full-time employees. The current line of products includes shampoo, 16 different kinds of herbal soaps, four kinds of Hawaiian Floral soap, four kinds of men's soap. The result: a satisfied client base. "Consistent quality of merchandise, excellent customer service and positive thinking for employees, have always been the cornerstone of our success," according to Sandy.

Surprisingly, Sandy began Sunfeather with less than twenty-five dollars for an initial investment. Her persistence and constant reinvestment of all her profits have paid off. Her current assets range around $100,000. Sunfeather is now a well-established and growing company, and Sandy can begin to enjoy the freedom of being her own boss. When asked whether she had achieved her business aspirations, her answer was yes.

Because of the relatively small investment needed to open Sunfeather, she did not even seek local or state assistance for her business. She was fortunate enough to be able to grow according to her designs and spend her time directly with the company.

As for advice to other entrepreneurs, "start small and work your way up," is Sandy's key to success. She reminds us persistence is important to the continued growth of any company. Sunfeather is the perfect example of entrepreneurship in action. From a small investment to a well-established enterprise with a nationwide market, the close eye

and guiding hand of Sandy Maine have allowed Sunfeather to grow and maintain its homey quality. Sandy's success is an inspiration to all budding entrepreneurs.

Company Name and Address: Victory Specialty Packaging Co., Inc.
Victory Mills, NY 12884

Owner's Name: Eugene C. Holcombe, Jr., and 2 partners

Place of Birth: Chicago, IL

Education: Harvard University

Type of Business: Manufacturing/Folding cartons

Time in Business: 60 years (3 closely held)

Growth of Assets: 12 percent past three years

Employment: **Initially:** 95 **Presently:** 130

Growth of Sales: 20 percent past three years

Most important reasons for starting business:

Two excellent partners

Most important factor(s) for success:

Service

Quality

Unsatisfied demand

Uniqueness of customer service

Commitment to succeed

Hard work

Most important reason for locating in NYS:

Trainable labor supply

Access to banking and finance resources

Access to transportation

Victory Specialty Packaging Co., Inc. Victory Mills, NY (Saratoga)

Entrepreneurship comes in every form, shape, and age. What it requires is a vision, a zeal to make things work, and a commitment to succeed. Victory Specialty Packaging is a case in point. The company started about 3 1/2 years ago as a partnership of three officers who took over the plant in Victory Mills in a leveraged buy-out when the parent company decided to divest several businesses across the United States. All three partners, Eugene Holcombe, Jr., (President), Joseph Russo (Vice President, Finance), and John Fee (Vice President, Sales), were employed by the parent company and have backgrounds in the packaging industry. The plant itself is an on-going concern started about 60 years ago and is located in a 380,000 square foot building situation on 9.75 square acres in Saratoga County. Although it is young, the company currently employs 130 people, up from 95 at the time of the take over. During this period, its sales have grown by 20 percent annually while its assets have risen by 12 percent in each of the past 3 years, standing today at over $2 million.

President Eugene Holcombe, Jr. was born and raised in Chicago. After graduating from the University of Michigan, he went on to Harvard University to complete his M.B.A. He worked for 25 years in a paperboard packaging and was the General Manager of Clevepak Folding Carton Division plant at Victory Mills at the time of its divestiture. The other two partners were also with Clevepak Folding. Gene Holcombe credits his two partners as the most important reason for his starting the business. Besides his uncanny ability to detect new and upcoming markets, he can sense what will sell. His fascination with wealth and power (and the freedom which comes with it) has helped him to achieve his aspirations of opening his own business. Among the other reasons for his decision to start this business are his organizational ability and his desire to be his own boss. These personal traits have helped the company achieve success in such a short period.

The partners attribute the success of the business to the quality of service, hard work, and a commitment to succeed. At the same time, they agree that hiring quality people, sharing goal-setting with each individual, and then providing adequate incentives and rewards for them to achieve their goals are essential to Victory Specialty's success. Luck also played a role in getting the initial capital from a local bank guaranteed by the Farmers Home Administration, since it is extremely difficult to get the necessary financial funding for a leveraged buy-out. The company is satisfied with the availability of trainable labor, access to transportation and the presence of banking and financial facilities in the area. At present, the company has a five year plan which is reviewed annually in order to continuously reassess their market niche, their investment and capital needs, and their personnel requirements.

In spite of the company's satisfaction with this region and their apparent success, Victory Specialty Packaging has some suggestions for the state, county and local development authorities. These suggestions concern business rules and regulations and the need to constantly reinterpret them. The company, during its early stages, was extremely frustrated by the professionals' and public servants' lack of understanding of the regulations, which forced the company to constantly revise and redevelop their plans. The company feels that because of this, they were unable to use any state or local incentives or financial packages. Much to their surprise, they wound up with a straight bank loan guaranteed by the Farmers Home Administration, helped and secured by the region's Congressman.

Company Name and Address: Adirondack Associates
Clifton Park, NY 12065

Owner's Name: Donald Caron

Place of Birth: Redford, NY

Education:

Type of Business: Publishing/Maps and Books

Time in Business: 18 years

Growth of Assets: ---

Employment: **Initially:** 4 **Presently:** 13

Growth of Sales: 250 percent

Most important reasons for starting business:

Desire to be independent

Most important factor(s) for success:

Uniqueness of product and product design

Uniqueness of production process

Uniqueness of customer service

Commitment to succeed

Most important reason for locating in NYS:

Location of the area

Access to cultural amenities

Access to transportation

Adirondack Associates, Clifton Park, NY (Saratoga)

Saratoga County is perceived as a bedroom community to those who work in the various manufacturing and service (Mostly government and government-related) industries in the capital district. To some extent, the physical location and the scenic beauty of the county are natural factors for people's decision to live here. Saratoga County is the fastest growing county in the state. The location of Adirondack Associates is a good example of a business which located in the county for what it had to offer in terms of quality of life for living in and for doing business, its access to major transportation and the attraction of cultural amenities. Donald A. Caron, founder of Adirondack Associates, was born and raised in Redford (Clinton County). After working on the East Coast, he decided to return to the ANCA Region and raise his family in this scenic area. He founded the business in 1968 in Silver Spring (MD) and moved family and business to Clifton Park in 1971. The business gradually went towards publishing maps and books for Chambers of Commerce throughout the east coast.

After graduating from college, Donald worked in radio broadcasting in Plattsburgh, Albany and then in Washington, D.C. for five years. Being familiar with the broadcasting, advertising and marketing business, its needs and requirements, he decided to go into a related business which would not necessitate a large initial investment. In fact, he started his business with the last two-week paycheck he received from his last employer in Washington, D.C. In service-type businesses, most of the sales are prepaid. Therefore, for Donald, the cash flow and the realized profits became the sources of funding expansion. Today, Adirondack Associates is 19 years old with 13 full-time employees, up from 4 in the initial stages. It is a family owned business whose sales in the past 5 years have grown by 250 percent. Because of the nature of the business, its assets are less than $200,000, but the business has relocated to larger premises since it opened.

Donald has achieved his aspirations by opening this business. For someone who loves drafting maps, has a good sense of what will sell in the marketplace, who can detect the new and upcoming markets, and who cares too much for his independence and freedom, this type of business is a dream come true. Though Don does not like to take unnecessary risks for profits, he can create something new with his commitment, hard work and his organizational ability. As a small business, Adirondack Associates offers unique services to its customers by having the cartography and production facilities on site. In fact, Donald attributes his success to the uniqueness of the production process and product design. This has helped him to pick up multiple projects outside New York State, particularly in Florida, New England, New Jersey, Delaware, and Pennsylvania. Within New York, they have drafted maps of over 22 counties, including Clinton County and the Hudson Valley area.

Adirondack Associates neither needed nor sought heavy investment funding to get started. Donald has not used any of the facilities or help provided by the local and state governments. Though he feels that the government agencies, especially in upstate New York, will offer help if they are asked, he is concerned about the fact that most of the agencies are trying to attract new larger businesses rather than helping those already here. As an example, he notes that his offer to the regional agencies to develop tourist-oriented road maps of the area at cost, was not even acknowledged.

Company Name and Address: R Jennings Manufacturing Co., Inc.
8 Glens Falls Technical Park
Glens Falls, NY 12801

Owner's Name: Roger L. Jennings

Place of Birth: New York City, NY

Education: Wharton Graduate Div. of Univ. of Penn.

Type of Business: Manufacturing/Steel, Aluminum structures

Time in Business: 7 years

Growth of Assets: 60 percent

Employment: **Initially:** 3 **Presently:** 32

Growth of Sales: 1100 percent

Most important reasons for starting business:

Past employer did not compensate for profits.

Most important factor(s) for success:

Uniqueness of production process

Uniqueness of marketing strategy

Commitment to succeed

Hard work

Most important reason for locating in NYS:

Good area to raise a family

Could hire two people who knew technical aspects

R Jennings Manufacturing Company, Inc., Glens Falls, NY (Warren)

The story of the R Jennings Manufacturing Company, Inc. is one of the more interesting success stories in the ANCA region. Roger Jennings, President of the Company, came to the business through a circular, but fateful path. For a person who did not know the technical aspects of the business when he started, Roger has directed and managed the business through its most difficult and formative years like a professional. The success of the company is evident by its recent move to a $1 million newly-constructed building that houses its corporate headquarters. In the short span of seven years, the company's sales have grown enormously--7600 percent. The growth of its assets has been equally spectacular--400 percent during the same period. It currently employs 32 full-time workers - 8 times the size of its initial workforce. Though it specializes in designing and fabricating aluminum and steel structures for electrical substations, the company also manufactures machinery for silk-screen printing under its own trade mark -- the Caprinter Series.

Roger Jennings, who was born in New York City, accepted a position with Finch, Pruyn & Company after graduating with a Law degree and an MBA from the Graduate Division of Wharton School at University of Pennsylvania. Finch, Pruyn & Company, a $165 million paper manufacturer, was a family owned business. Under an 80-year-old CEO, who spent as much time dealing with family feuds as in acquiring other companies, the company was being used as a "cash cow" to help finance other acquisitions while bleeding itself and unable to make badly needed improvements. Roger was the chief financial officer of the company as well as the CEO of its largest subsidiary. Because of the internal business conditions at Finch, Pruyn, and the dissatisfaction with the reward and incentive structure, Roger resigned from the company after five years. For the next six years he acted as a management consultant to some large U.S. corporations. It was in this capacity that he came across the company he currently owns with two other partners. The different backgrounds of the partners provided the necessary strength in the technical aspects of engineering, design, sales, and promotion to contribute to the financial strength and growth of the company. Though Roger lacked the technical knowledge of the business initially, he dedicated himself to learning the business and then made a decision that has paid off handsomely for the company. That decision, based on a market survey, was to move from steel to aluminum structures. This major innovation in design and construction helped utility companies to realize substantial savings. Where steel is used, R Jennings Manufacturing Company has designed more efficient structures through the use of alloys and more economical shapes.

The growth of the company has come in steps, one leading to the next, in a natural progression based on careful evaluation, in the right direction. For example, the company initially manufactured machinery for silk-screen printing. It then went into designing the structure, engineering and production of electrical substations. Each of the stages is related back to the original idea. Roger explains the strategy of his business in having high labor input, low material content and providing good service. Due to the highly seasonal nature of the construction business, with a slack in January, February, and March, the company shifts to the production of machinery during those months and builds up its inventories. This way, the company can maintain the workforce and allow inventories to fluctuate throughout the year. Roger firmly believes that employees are the greatest assets of the company and the quality of such people which can make or break a business. Unfortunately, Roger is very dissatisfied with the availability of quality people in the area who are willing to work.

Roger considers his dissatisfaction with the reward structure of his previous

employer as the single most important reason for him to go into his own business. Besides, he has the tremendous energy and spends long hours in the business. In addition, he has good organizational ability, sense to spot new opportunities, and ability to know what will sell. He has a good mind for doing new things and is willing to take the necessary risks to realize profits. All of these qualities make him an excellent entrepreneur. Roger is confident that he will eventually achieve his aspirations in the business because of his commitment and hard work.

On the whole, Roger gives high marks to the ANCA region as a good place to start a business. He is extremely dissatisfied with the way the state and local incentives are administered. He considers such incentives worthless. His efforts to find these incentives and receive funding for such things as the training cost rebates and the UDA grants were frustrated by the administrators of these programs who left a poor impression on him. He has financed all of his investments from his own resources. His first loan was a year ago, which he borrowed from a local bank to do a job. Since then, he has relied on the regional banks for other loans including a construction loan for the new corporate headquarters.

Based on his own experience, Roger considers three requirements for success in business: prior experience in running a business successfully; energy to work 16-18 hours a day/seven days a week for at least 5 years; enough capital, at least 4-5 times more than anticipated. Looking at his success, who would challenge him.

Company Name and Address: North American Recycling Co., Inc.
Fort Edward, NY 12828

Owner's Name: Robert R. Barber

Place of Birth: Glens Falls, NY

Education: Sienna College

Type of Business: Servicing/Contractor Industrial Waste Collection

Time in Business: 16 years

Growth of Assets: 30 percent

Employment: **Initially:** 5 **Presently:** 22

Growth of Sales: 30 percent per year

Most important reasons for starting business:

Ability to determine need of the marketplace

Most important factor(s) for success:

Unsatisfied demand

Uniqueness of customer service

Most important reason for locating in NYS:

Availability of public infrastructure

North American Recycling Co., Inc., Fort Edward, NY (Washington)

Robert R. Barber, took over a fledgling business in 1970 with a total capital investment of $500. The next year was a good year for him and his business. However, with the energy crisis of 1973-74, the problem of under-capitalization became extremely serious. With the crisis came the economic recession which adversely affected his business at the time--Industrial Waste Collection. Sixteen years later, the company is highly diversified with the addition of four other businesses which are separate, but related, to the original one. These businesses now include a Recycling Plant, a Scrap Yard, a Surplus Equipment Yard, and a Resource Recovery Plant. The Resource Recovery Plant is located in Hudson Falls, servicing Essex, Warren and Washington Counties. The workforce has now increased to 22 full-time employees, while sales in the past five years have grown by 30 percent annually. The total assets have also grown by the same percentage, and total over $2 million.

Despite enormous success, Bob is a modest person. He feels that his own limitations have hindered him the most in his business. Bob feels that he has achieved his aspirations after opening the business because of his good sense in detecting new and upcoming opportunities. He also credits his success to the existence of an unsatisfied demand for such services in the area and the uniqueness of his customer relations. With the absence of competition and his commitment to succeed, he has been able to bring his business to its current dimensions.

With success has also come problems. The expansion in the past was financed mostly through cash flow and borrowing from a local bank. Bob also brought in two partners with substantial equity that was necessary for the company. Now he feels that the business is at a critical stage. The financing needs of further expansion and a combination of other factors will necessitate his making the company public, and Bob is ready for that eventuality.

Bob is very fond of the area. He was born, raised, and educated in the ANCA region. Both he and his wife are college graduates, as are his parents who are also natives of this area. Bob himself comes from a large family where other members also have business interests. As he tells it, he has travelled widely throughout the world with the military and his travels have deepened his admiration for the area. He feels that the area has great potential. Bob has neither sought nor received any incentives from the State or local governments. Such incentives have not been important to the business and he would have located in the area without these incentives. He does, however, view the availability of the public infrastructure and the access to transportation as important concerns for his business.

CHAPTER V

KEY ATTRIBUTES OF SUCCESSFUL ENTREPRENEURS

Highlights

- Attributes of Successful Entrepreneurs
  - Outsiders Among Us: Most of the entrepreneurs included in our case studies come from outside the ANCA region
  - Role of Education: Almost all have college education
  - Role of Family: Almost all enjoy a strong family support
  - Response to Adversity: willing to turn adversity into a challenge
  - Goal-oriented: The major goals are to succeed in business and to be independent

Chapter III gives the statistical highlights of all respondents to our survey. In this section, we wish to focus our attention on the key attributes of the successful entrepreneurs included in our stories. These stories reveal that successful entrepreneurs are not superhuman beings. They, like the rest of us, face disappointments and failures in their daily lives. Unlike most of us, however, they view these as challenges and respond constructively. As one successful entrepreneur puts it, they listen to the beat of a different drummer. In the end, with their zeal and energy, they enrich the lives of the rest of us.

The following personality traits stood out from our study of the success stories of entrepreneurship in the ANCA region.

Outsiders Among Us: Most of the entrepreneurs included in our stories came from outside the ANCA region. This is also revealed in the larger sample of respondents where over 55 percent came from outside New York State or the ANCA region. The finding is also consistent with the wider literature on entrepreneurship where people outside the existing social structure have promoted success in different societies of the world: Chinese in Southeast Asia; Indians in Asia and Africa; Lebanese in the Middle East and Africa; Jews throughout the world. Even within the United States, most of the business successes have come from the earlier immigrants who came to this country to seek a better world. As outsiders, these immigrants are known to deviate from the existing social structure by being creative and innovative, and are often willing to work hard to achieve success and recognition. Our survey findings support the many contributions made to the region's economy by the outsiders.

Because of the richness of its resources and being away from the beaten track, the ANCA region has historically attracted people to the area. Our respondents have talked warmly about the area, citing their previous experiences in the area and/or fond memories of its natural beauty when they were growing up. These individuals came as tourists, to work or to study in the various educational institutions. They came as outsiders but have now become part of this community and are enthusiastic about this region.

Role of Education: Again, like the wider sample, almost all of the successful entrepreneurs are college educated. Some of them have specialized degrees, (e.g., MBA, Law, Special Education, etc.). Though different from the entrepreneurs of earlier generations, the finding is nevertheless consistent with what is generally observed elsewhere. The increasing complexity and the technological sophistication of modern business requires individuals with an ability to accept the challenge. It is interesting to note that while successful entrepreneurs need not be familiar with the actual management practices, e.g., cash flow, balance sheets, profit/loss statements, etc., they must have the ability and the willingness to delve into such practices and understand them well enough to make sound business decisions. The businesses they open and operate may or may not be related to either their education or previous training. What they do have is the ability to understand the modern business and to undertake the associated risks.

Role of Family: Family support played a major part in shaping entrepreneurs in many ways. Behind their success is the strong support their families have provided. The family support has been a rock to which the successful entrepreneurs have anchored

themselves through the turbulent periods of business development. That support has come in many ways.

With few exceptions, the successful entrepreneurs are married and have been married for a long time to their current spouses. The spouses may not be directly involved in the business, but they support and understand their partners long absences from family, frequent traveling, and long hours spent in the business. Families and friends have provided much of the initial capital investment and have financed expansion. In some cases, successful businessmen came from families who were in business, thus providing some understanding of the turbulence in the initial stages of business development. But, in the widest sense, the family environment has helped cultivate the personality traits, including the spirit of independence, initiative, willingness to undertake risk, and doing something new, which has helped these individuals become successful entrepreneurs.

Response to Adversity: In one way, successful entrepreneurs in this region are unlike others in the wider community. It is the way they respond to adversity. While everyone faces life's ups and downs, and copes with them in the best way that one can, it seems from our analysis that entrepreneurs are successful because of the way they have taken adversity and turned it to their advantage. It is true that "nothing succeeds like success", but the manner to achieve it is what distinguishes the entrepreneur from the rest of us. They are resilient and can stand up to and face adversity in a creative and constructive fashion. Disappointments and set backs in life and business become the time for analysis and learning. Instead of feeling sorry for themselves and being overcome, entrepreneurs have the courage to look up, take these setbacks in stride, and move forward. This is a lesson worth learning and emulating for every upcoming entrepreneur.

Personality Traits: It is said that entrepreneurs are not born but created. There are no widely accepted prescriptions to foster entrepreneurship. Analysis covers a wide territory from socio- cultural factors, family rearing practices, and psychological analysis to the role that economics and politics has played in entrepreneurial development. However, the stories included in the report reveal certain personality traits among successful business owners, some of which have found wider acceptance in other literature.

Entrepreneurs are goal-oriented. Generally, these goals are to succeed in business and to be independent. They have a good mind for identifying potential markets and responding to them. Entrepreneurs know what will sell. They either create a unique product or production process to produce what may already be on the market. The presence or absence of competition is not that critical. Entrepreneurs succeed in developing a marketing strategy which gives them a unique niche. They may or may not have good organizational ability, but they have the willingness and energy to accept risks, to learn and to grow.

The important thing that stands out in these success stories is the entrepreneur's need to be independent and to be his own boss. While making money, per se, may not be important, he is fascinated by wealth and power, and the freedom to do as he pleases which comes with it. There is some evidence of restlessness with themselves leading entrepreneurs to do new things. They are generally aware of the risks of venturing into new areas, but are willing to take those risks for profits. Most of the entrepreneurs in this study did work for others before starting their own businesses. In most cases, their current

business has nothing to do with their previous employment or training. They left the security of a job because of their dissatisfaction, and to be on their own.

Also, successful entrepreneurs are achievement oriented. They are committed to success. They possess the willingness and energy to work hard and put in long hours to achieve success. Interestingly, most entrepreneurs do not seem to be fascinated with a desire to leave a legacy. Their interest in starting a business may only be to receive the joy and satisfaction of creating something for themselves.

CHAPTER VI:

SUGGESTED ACTION PLAN AND MARKETING STRATEGY

Highlights

- Need for a Regional Focus
  - leadership and spokesperson for the region
  - clearinghouse of information
  - develop inter-county communication
- Regional Development
  - all inclusive program of development
  - upgrade of infrastructure
  - preserve the current quality of life
  - attract small industries, not large
- Preserve the Quality of Life
  - Market the unique beauty and quality of life of the area
  - Attract small rather than large businesses to preserve the environment
- Support Venture and Investment Capital
  - explore means of additional venture capital
  - establish seminars for bankers
  - establish seminars for entrepreneurs
  - organize lobby efforts in the state for increased funds
  - establish Regional Community Development Corporations
  - establish Community Loan Funds
- Legal and Technical Support Services
  - assistance with proposal writing, technical research
  - legal assistance
  - create a regional HOT LINE
- Publicity
  - participate in trade shows
  - advertise in business and trade journals
  - recruit successful businesses as "mentors"

- Attitudinal Change
  - roll out a welcoming mat for businesses, new and old
  - promote partnership between educational institutions and regional agencies

We wish to use this space to make some suggestions to ANCA based on our survey and personal interviews with a number of businesses. We found the whole process interesting and rewarding. For one thing, we were surprised to find out the high number of entrepreneurs who have chosen this region for their operations. Overall, these businessmen have expressed extreme satisfaction with the region. By locating in this region they have given their vote of confidence and are providing jobs, income, taxes, and support to the community activities. They consider their community attitude towards them and other businesses quite favorable and almost all of them have either expanded in the same location or relocated to larger premises in the same area.

However, this overly bright picture should not obscure the problem areas which need to be addressed. The respondents were extremely expressive in making us aware of the many problems they had to deal with without much help from the local economic development agencies. Not all problems are either local or regional in nature. Some of the difficulties can be only solved through the intervention of state government. Even though we have not identified these problems separately in this report, the steps we are suggesting are partly based upon our conversations and/or the comments made by respondents on the questionnaire. Partly, the Action Plan developed below is provided in order for ANCA to take a leadership role in the region and in the state to relieve small businesses of unnecessary frustration. The local development agencies can also benefit from the suggestions made here since these are generally the first entities the small businesses come into contact. Though these steps are not presented in any manner of importance, together, they stand for improving the business climate at the county level as well as in the region. It is hoped that the plan and the strategic steps will not only attract new businesses, but would also help to nurture those already in place.

Need for a Regional Focus. The 14 county ANCA region is not a homogeneous region. Each county with its own assets and liabilities has its own agenda for development. For a newcomer to the area, a business is often presented with a multilayer of agencies and information some of which is contradictory and often confusing. The first impressions of the newcomer, if unfavorable, may turn away a businessman altogether from the area.

We strongly recommend ANCA to assume a leadership role in creating a regional focus. They should act as a spokesperson for the region and a clearinghouse to provide basic and initial information necessary for a businessman to make a sound decision. Among the steps we suggest are to present an economic and business profile of each county, a directory of state and local agencies to be contacted for further information, important rules and regulations for a businessman to know, a directory of similar businesses in the region, a directory of banks and the resource people (corporate lawyers, accountants, etc.) to be contacted. In short a one-stop information agency which can save valuable time for the businessman and assure that the region "means business."

We further suggest that to achieve this, ANCA should establish close working relations with the county development agencies and the Chambers of Commerce. Communications between ANCA and the counties and among the counties will help in developing regional cooperation rather than competition.

Overall Regional Development. For small businesses, decision to locate is made by a single person: the entrepreneur. Irrespective of any other favorable condition

his initial impressions about the area will count the most. As the survey shows, over half of the respondents located in ANCA region are from outside. They were attracted here either because of their experiences as a tourist or because of the various colleges and universities located here. Their favorable experiences in the region triggered their preference to locate their business operations. Keeping this in mind, it would be to the region's benefit to promote its strength in both. Tourism and education are growth industries which have both forward and backward links: forward since they help to attract new businesses and create new jobs; backward since they provide jobs to local businesses and utilize other available resources within the region.

We, therefore, recommend very strongly that the strategy to economic development in the region must include an all encompassing approach rather than treating them as separate or competitive entities. Among the steps we suggest expanding and upgrading infrastructure in the region, such as surveying transportation network, tourism facilities, educational services, availability of manpower, industrial parks and other supporting infrastructure items. The idea here is to take a region wide approach to development and emphasize the unique assets of the region.

Preserving the Quality of Life. Care should be taken to preserve the quality of life that has contributed so much to this region. Enterpreneurs have talked about their love for this area both in terms of the natural surroundings that provide so much of sports, game and fish all year around as well as a relaxed way of life which is good to rear families. It is this environment that stays in the memory of all those who visit this area. Unfortunately, this aspect has not been marketed well.

The area's efforts should be devoted to attracting small rather than large industries and businesses, focusing on the modern hi-tech ones which would not intrude on the surroundings of the region. We also believe that small businesses are easier to attract and provide stability in employment as well. We recommend that the unique physical beauty of the area be made an integral part of the marketing strategy for attracting new investment.

Support to Provide Venture and Investment Capital. Of all the problems and difficulties mentioned, one mentioned most was the frustration in raising initial capital and/or the necessary funds for expansion. Reasons mentioned ranged from the inexperience of the area with product manufacturing, to over-cautiousness of local bankers, as well as lack of concern or ignorance of the local authorities. In several cases, the entrepreneurs had to put up virtually all their assets as collateral. Even after the business was successful, under- capitalization for expansion pressured several entrepreneurs to scale down their plans. This problem is much more serious for small businesses than for larger ones.

We recommend the region to make a major push to explore methods for bringing venture capital to the area. Among the steps are sponsoring seminars for the local bankers to learn about start-ups, for entrepreneurs to know the conventional and unconventional sources of capital, to organize and institute lobbying efforts in the state to establish ways and means to provide venture capital. Many communities in the United States have been extremely successful in launching state insurance schemes, attracting underwriting and investment bankers, establishing Regional Community Development Corporations or Community Loan Funds. Any or all of these schemes hold much promise for this region in providing financial assistance to small business.

Legal and Technical Support System. For the region to attract and nurture small businesses, it needs to provide a range of services at least in the initial stages. Among such services would be proposal writing, technical research, market feasibility, legal interpretation of various rules and regulations, and exploring sources of funding. Such help should be available to entrepreneurs and small businesses to overcome the fears of start-ups before they go through the maze of requirements associated with new businesses. Similarly, appreciation of the difficulties of small businesses and moving them in the right direction is important even for small entrepreneurs who are already in business. Small businesses in the survey responses have complained about the time, money, and energy they have to spend in taking care of the paper work involved in running a business. Some of them even complained of not getting much help from the local development agencies in this regard.

It is, however, recommended that ANCA, in cooperation with the State Departments of Commerce, Labor, and Taxation and Finance and other appropriate office/agencies should provide the various pieces of information in a booklet written in simple and easy to understand language. Among the other steps we recommend installation of a HOT LINE to ANCA to be used by prospective entrepreneurs for seeking immediate answers to their questions.

Need for Publicity. Success breeds success. It is important for ANCA and other agencies to publicize North Country successes within as well as outside the region. Such publicity would help potential investors to learn about the area, as well as cultivate a sense of pride in the region. We recommend ANCA and other agencies to participate in trade shows and to advertise in trade and business journals in U.S.A and in Canada. The proximity to Canada has an important locational advantage and should be exploited. Publicity in the regional papers is strongly recommended to make people feel good about themselves. Steps to recruit successful businesses to act as "mentors" to potential entrepreneurs is a step in the right direction. Publicity in the form of library exhibitions of "local entrepreneurs and successful businesses" is extremely worthwhile.

Attitudinal Change. Besides the above, there are a number of other suggestions that should be adopted by ANCA and other agencies. We label this as "attitudinal change" that must come in the region's development strategy.

We recommend the region to roll out a "welcoming mat" for businesses--both for the new recruits and the existing ones. This does not mean to attract any type of business but only those businesses that fit in the environment of the region. Practically every business surveyed has mentioned state or local incentives as unimportant in their locational decision. Though most of the respondents were aware of such incentives, they did not take advantage of them because of the bureaucratic red tape.

Finally, we believe that schools and colleges within the ANCA region are an important asset which has not been used effectively in regional development. Educational institutions offer expertise which can be tapped for the economic well-being of the region. It is strongly recommended that ANCA and other agencies explore methods for developing constructive partnership with the educational institutions for mutual benefit. The

educational institutions and regional agencies can work together in sponsoring conferences, workshops, seminars, and courses on a wide variety of social and economic regional issues. For example, educational institutions can provide courses on entrepreneurship and on managing small businesses. The services of the successful entrepreneurs from the region should be utilized in support of such courses. Courses/seminars on managing small businesses should be supported and encouraged. Since all small businesses are the result of entrepreneurship, such a process will cultivate a favorable condition and environment and healthy role models for the region's youth development.

In short, these suggestions are made to invigorate the business climate in the region. A great deal has been done during the past several years. More needs to be done. Each of these suggestions by itself is not sufficient to accomplish this goal. Together, they present a major strategic move which can help the region in economic development.